

MUSEUM OF UTAH

Operations/Business Plan and Projections

Final Report

May 2020

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We assist people, communities and organizations to realize and enhance cultural meaning and expression.

We distinguish ourselves through a comprehensive and integrated full-service offering built on a foundation of key competencies: visioning, planning and implementation.

We value and believe in cultural expression as essential for all people. We conduct ourselves with respect for collaboration, local adaptation and cultural diversity, embodying the highest standards of integrity, ethics and professional practice.

We help clients clarify their goals; we provide them with the tools to achieve those goals; and we leave a legacy as a result of training and collaboration.

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EXECUTIVE SUMMARY

Utah is only one of two states in the nation without an official state history museum. This is to change with the long-awaited implementation of the Museum of Utah, which is to be located as part of the State Capitol Complex in Salt Lake City. Its mission is to “honor the past and inspire the future by sharing the state’s unique history, culture and art.”

This operations/business plan for the Museum of Utah includes facility planning recommendations and projections of attendance, operating revenues and expenses assuming implementation of the plans for the new Museum. The projections were based on two admission charge scenarios. One assumed free admission for all visitors while the second assumed charged admission for some visitors and free admission for others.

The planning process included research and analysis of the experience of other state history museums, other museums in or near Salt Lake City, internal vision/assumptions workshops and an external interview process, as well as analysis of potential resident, school and tourist markets for Salt Lake City.

The following table summarizes our projections of attendance, operating revenue and expenses for the Museum of Utah for the opening three years of operation, with Year 3 representative of subsequent years.

On-site attendance levels are estimated to stabilize at 105,000 visitors in Year 3 in the free to all scenario and 70,000 visitors in the partially charged scenario. Year 1 figures are estimated to be about 20% higher in both scenarios.

Based on the analyses and assumptions in this report we project that the total operating budget for the Museum of Utah will be in the range of \$4.9 to \$5.1 million in the free scenario and somewhat higher at \$5.0 to \$5.2 million with partially charged admission. Earned income levels will be higher assuming partially charged admission, projected to be in the range of \$500,000 to \$600,000 (10-12% of operating revenues) compared to about \$200,000 (4%) when admission is free to all.

The amount required from state and private sources is projected to be in the range of \$4.7 to \$4.9 million in the free scenario and \$4.4 to \$4.7 million if partially charged. The amount required largely from the state is thus lower by roughly \$175,000 to \$250,000 per year in the partially charged admission scenario. Higher staffing and other operating costs when admission is partially charged offsets some of the revenue gains.

Although free admission to all will help to widen access to adults and seniors it will also mean what could be seen as unfair competition for museums that do not have access to the operating funds available to a state history museum. Charged admission also helps with security. While the trend has been to more charged admission state history museums, there are still 18 of 48 that currently offer free admission to all visitors.

In considering these projections it must be emphasized that uncertainty regarding the duration and impact of the Covid-19 pandemic may require future changes to both the assumptions and projections in this report.

Museum of Utah	Free Admission Scenario			Partially Charged Scenario			Free Admission			Partially Charged		
Summary of Attendance, Operating Revenue and Expense Projections	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3	Year 1 %	Year 2 %	Year 3 %	Year 1 %	Year 2 %	Year 3 %
Annual Attendance	125,000	110,000	105,000	85,000	75,000	70,000						
Projected Operating Revenues												
Admissions	\$0	\$0	\$0	\$414,248	\$365,513	\$341,145	0.0%	0.0%	0.0%	8.3%	7.1%	6.6%
Retail Sales	\$137,500	\$126,500	\$126,000	\$106,250	\$97,500	\$94,500	2.8%	2.5%	2.5%	2.1%	1.9%	1.8%
Membership	\$41,500	\$42,445	\$45,200	\$59,000	\$57,810	\$59,400	0.9%	0.8%	0.9%	1.2%	1.1%	1.1%
Educational and Public Programs	\$15,000	\$18,000	\$20,000	\$12,000	\$14,000	\$15,000	0.3%	0.4%	0.4%	0.2%	0.3%	0.3%
Other Earned Income	\$8,000	\$9,000	\$10,000	\$6,000	\$7,000	\$8,000	0.2%	0.2%	0.2%	0.1%	0.1%	0.2%
Total Revenue Projected	\$202,000	\$195,945	\$201,200	\$597,498	\$541,823	\$518,045	4.1%	3.9%	4.0%	11.9%	10.5%	10.0%
Projected Operating Expenses												
Salaries, Wages, Benefits	\$3,414,663	\$3,431,736	\$3,448,895	\$3,551,688	\$3,569,446	\$3,587,294	70.1%	68.4%	68.1%	70.8%	69.1%	68.9%
Building Occupancy	\$484,969	\$562,564	\$581,963	\$465,570	\$543,165	\$562,564	9.9%	11.2%	11.5%	9.3%	10.5%	10.8%
Exhibitions	\$183,000	\$277,000	\$280,000	\$185,000	\$293,000	\$297,000	3.8%	5.5%	5.5%	3.7%	5.7%	5.7%
Public and Educational Programs	\$45,000	\$54,000	\$60,000	\$36,000	\$42,000	\$45,000	0.9%	1.1%	1.2%	0.7%	0.8%	0.9%
General & Administrative	\$546,346	\$514,760	\$517,334	\$568,270	\$535,417	\$538,094	11.2%	10.3%	10.2%	11.3%	10.4%	10.3%
Marketing	\$125,000	\$110,000	\$105,000	\$148,750	\$131,250	\$122,500	2.6%	2.2%	2.1%	3.0%	2.5%	2.4%
Retail Cost of Goods Sold	\$75,625	\$69,575	\$69,300	\$58,438	\$53,625	\$51,975	1.6%	1.4%	1.4%	1.2%	1.0%	1.0%
Total Expenses	\$4,874,603	\$5,019,636	\$5,062,492	\$5,013,716	\$5,167,903	\$5,204,426	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Amount Required to Break Even from State and Private Sources	(\$4,672,603)	(\$4,823,691)	(\$4,861,292)	(\$4,416,218)	(\$4,626,081)	(\$4,686,381)	-95.9%	-96.1%	-96.0%	-88.1%	-89.5%	-90.0%
Lower Amount for Partially Charged				\$256,385	\$197,610	\$174,910						

1. INTRODUCTION

One of the great state natural history museums in the nation is the Natural History Museum of Utah but Utah is only one of two states without an official state history museum. The second is Hawaii. This is to change with the long-awaited implementation of the Museum of Utah. Its mission is to “honor the past and inspire the future by sharing the state’s unique history, culture and art.” The Utah Department of Culture & Community Engagement has been charged with the responsibility of overseeing the planning, design and implementation of the new Museum, which is to be located on the State Capitol Complex in Salt Lake City.

With architectural and visitor experience planning associated with the Museum of Utah well underway it was determined that a business planning study was required to include operations-focused recommendations and to help right-size the spaces within the Museum. There is also a need for credible projections of attendance, operating revenues and projections for the new museum. To help decision-makers address the issue of admission charges for the Museum of Utah the operations/business plan will conclude with projections based on two scenarios - one assuming free admission to all and the other assuming partially charged admission.

Lord Cultural Resources, which previously helped to plan the Natural History Museum of Utah and is the largest museum planning firm in the world, was selected to conduct this Operations/Business Plan and Projections study. The consultant team is led by the Lord Cultural Resources Senior Principal responsible for Market and Financial Planning, Ted Silberberg, supported by the Lord Director of Facility Planning, Sean Stanwick, and Research Consultant, Sophia Sousa.

In order to meet the objectives of this study, the consultants of Lord Cultural Resources conducted the following work elements to date. We:

- Reviewed background information associated with the project, as well as additional information provided to us or that we gathered.
- Toured the planned site of the Museum of Utah as well as the nearby State Capitol Complex, including spaces in which displays of Utah history and art are currently offered.
- Facilitated vision/assumptions workshops with a Business Planning Committee and a Museum Advisory Committee. We also conducted a variety of key informant interviews to explore market and operational opportunities and constraints and to test ideas or options



under consideration. Please see Appendix A which acknowledges both the workshop participants as well as those interviewed.

- Compiled and analyzed published contextual data associated with the museum marketplace in general, and state history museums in particular. This was supplemented by analyses of detailed survey data of five state museums identified to offer particular comparability to the Museum of Utah, as well as interviews.
- Compiled and analyzed data regarding potential resident, school and tourist markets for Salt Lake City and the planned Museum of Utah in particular.
- Summarized client-directed assumptions and set out recommendations associated with the facilities, visitor experience and operation of the new Museum in a Phase 1 report.
- Received client feedback and discussed modifications to the Phase 1 chapters and finalized assumptions that underlie the projections of attendance, operating revenues and expenses in a Draft Final and then a Final report. It must be emphasized that uncertainty regarding the duration and impact of the Covid-19 pandemic may require future changes to the assumptions and projections in this report.

Key findings, conclusions and recommendations in this report are highlighted in bold, italics.

2. CONTEXTUAL AND COMPARABLES ANALYSES

This chapter seeks to establish context for the recommendations and assumptions in this report as well as benchmarks to inform the projections of attendance, operating revenue, and expense projections for the Museum of Utah in Chapter 5. It includes contextual and comparables analyses that utilize available data and interview feedback regarding history and art museums within the overall museum marketplace as well as state history and history/art museums in general and those selected to offer the best comparability to the Museum of Utah. Also considered is the experience and benchmarks from existing museums in or near Salt Lake City.

2.1 HISTORY AND ART MUSEUMS WITHIN THE OVERALL MUSEUM MARKETPLACE

The Museum of Utah will be primarily a history museum that will use traditional historic artifacts and selected Utah works of art to help tell the story of the State. Available data to help establish benchmarks and potential implications for the new Museum are set out below.

2.1.1 MEDIAN FIGURES FROM AMERICAN ALLIANCE OF MUSEUMS

Two tables follow. The first is from the last comprehensive survey of the American Alliance of Museums (AAM) that allows for a comparison of various museum types. The data are now a decade old because rather than continuing the practice of comprehensive surveys of museums every three years the AAM transitioned to a self-reporting model of data collection, resulting in very small sample sizes. Consequently, the AAM has discontinued the data collection. We believe the key findings below are still relevant for the purposes of this study and help to inform the operational planning of the Museum of Utah. Highlighted are data for history and art museums.

The second table is from a more recent 2017 AAM survey that focuses only on sources of operating revenue.

- **Total Median Attendance:** The objective here is to focus on the relative attendance of various museum types, not the specific attendance figures because the data are dated and are medians, therefore reflecting figures from very small museums. The median attendance figure for all U.S. museums was about 26,500 visitors. It must be emphasized that not all reported attendance figures are accurate given how museums define visitors.

The median attendance for history museums was only 10,000 because there are numerous, very small community history museums. Median attendance was about 44,900 for art museums that include more that are larger. These are, nonetheless, relatively *modest figures compared to mass market museums that include strong appeal to children, including zoos, science centers and children's museums. The data thus confirm the need for the Museum of Utah to offer a strong focus on interactive elements to help widen appeal to children.*
- **Admission Charges:** Some 41% of all U.S. museums (48% of specialized museums and 51% of history museums) did not charge admission. *A key issue in this study is whether the Museum of Utah should offer free admission to all visitors.*
- **Sources of Operating Income:** The 2017 data indicate that earned income (admissions, retail, rentals, programs, etc.) as a percentage of total operating revenues increased to 35% from the 2009 average of about 28% with a decline from government support from 24% to 19%. The average from private sources and endowment sources stayed about the same but the growth in earned income from 24% to 33% was substantial. It must be noted, of course, that the sample sizes and specific museums surveyed would have varied, but the data offer useful benchmarks, nonetheless. *State museums receive a substantially higher percentage of their operating budgets from state governments as discussed later in this chapter.*
- **Value of Endowment:** Many museums have an endowment to support operating costs. The median value of the endowment principal for art museums was about \$9.8 million and only \$500,000 for history museums. *It is far more difficult for state museums to generate endowment and other private funds and so no endowment will be assumed to support the operating costs of the Museum of Utah.*
- **Staffing Percentage of Total Operating Costs:** Salaries and wages accounted for an average of 50% of the operating budgets of museums in general, about 51% for history museums, and 49% for art museums. *The challenge for the Museum of Utah is the need to limit staff levels if the new museum is to control operating costs balanced against the need for professional staff to meet its mission, visitor service and operational requirements.* Recommended staffing positions are set out in Chapter 4.
- **Marketing Costs per Visitor:** The median history museum allocated about 2% of its operating budget to marketing compared to an overall museum figure of about 4%, which is also the percentage for art museums. The median museum spent \$1.29 per visitor on marketing compared to only \$0.50 for history museums and \$2.15 for art museums. *Although marketing expenditures have been declining with more emphasis on social media relative to traditional advertising, adequate expenditures will need to be in place to help maximize attendance levels to the Museum of Utah.*

Latest Data Comparing Museum Types from the American Alliance of Museums	Art Museum	Children's or Youth Museum	General Museum	Historic Home or Site	History Museum or Historical Society	Living Collections (zoos, aquaria)	Natural History or Anthropology	Science or Tech	Specialized Museum	Overall
Sample Size	156	18	71	89	190	17	32	25	73	671
Median Attendance	44,878	130,870	58,500	11,700	10,000	208,574	58,176	357,103	22,000	26,500
% Charging Admission Fees	47.6%	94.1%	63.2%	77.4%	49.2%	64.3%	63.3%	96.0%	57.1%	59.0%
Median Adult Admission Charge	\$8.00	\$7.50	\$7.00	\$6.00	\$5.00	\$8.00	\$8.00	\$10.00	\$7.00	\$7.00
Median Operating Income	\$2,379,176	\$1,729,532	\$1,930,895	\$350,000	\$260,000	\$3,072,452	\$3,256,810	\$7,857,138	\$602,080	\$1,168,559
Average Earned Revenues	21.5%	48.3%	24.8%	31.7%	24.0%	30.0%	31.1%	48.8%	33.2%	27.6%
Average Revenues from Private Donors	46.6%	27.8%	33.7%	34.6%	31.0%	20.3%	38.3%	28.9%	37.7%	36.5%
Average Revenues from Investment Sources	18.6%	12.1%	8.8%	10.7%	8.5%	14.3%	6.4%	3.0%	9.3%	11.5%
Average Revenues from Government Sources	13.3%	11.7%	32.6%	23.0%	36.4%	35.4%	24.2%	19.3%	19.9%	24.4%
Median Value of Endowment	\$9,744,500	\$414,875	\$2,539,870	\$1,202,817	\$526,500	\$14,253,806	\$5,078,964	\$1,829,599	\$2,526,508	\$2,825,075
Median Earned Income per Visitor	\$8.21	\$6.31	\$7.16	\$9.44	\$4.39	\$4.87	\$6.76	\$11.14	\$10.00	\$7.22
Median Operating Expenses	\$2,317,675	\$2,522,615	\$1,798,754	\$298,200	\$262,206	\$3,630,530	\$3,237,600	\$6,827,362	\$778,859	\$1,166,000
Operating Cost per Visitor	\$49.94	\$15.07	\$30.21	\$28.33	\$26.73	\$15.10	\$29.74	\$20.95	\$32.25	\$31.40
Staff salaries as a % of total expenses [Median]	48.6%	54.5%	53.5%	56.0%	50.8%	63.9%	60.8%	45.8%	39.9%	49.9%
Collections care as a % of total expenses [Median]	6.4%	4.1%	9.9%	4.9%	8.5%	26.7%	17.3%	1.2%	10.0%	8.0%
Marketing Budget as a % of total expenses	4.4%	8.4%	5.4%	3.8%	2.2%	4.1%	4.5%	7.5%	4.0%	4.1%
Marketing Expenses Per Visitor [Median]	\$2.15	\$0.93	\$1.61	\$1.14	\$0.50	\$0.85	\$1.22	\$1.32	\$1.00	\$1.29

Source: 2009 Museum Financial Information, American Association of Museums, 2009

Latest Data Comparing Sources of Operating Income by Museum Type	Art/ Sculpture Garden	Children's Museum	Historic/ Historic House/Site	Natural History/ Anthropology	Science/ Technology Centre/ Museum	Multi-Disciplinary	Arboretum/ Botanic Garden/ Nature Center	Zoo/ Aquarium	Total Sample/ Weighted Average
Sample Size	209	36	408	31	31	100	27	15	857
Earned Income	26%	52%	35%	42%	57%	33%	45%	59%	35.1%
Private Donations/ Sponsorships	42%	33%	33%	28%	31%	35%	31%	25%	35.0%
Investment/Endowment Income	16%	2%	12%	9%	2%	8%	10%	4%	11.4%
Government Income (Fed-State-Local)	17%	13%	21%	22%	10%	24%	14%	12%	19.3%

Source: American Alliance of Museums, Museum Board Leadership 2017: A National Report

2.1.2 AVERAGE FIGURES FOR LARGER MUSEUMS

The data above are median figures from larger sample sizes of surveys by the American Alliance of Museums. The data therefore reflect many very small museums. The following table is by a private company in 2014 that focused on 253 larger institutions. As above, the highest attended types are zoos/aquariums and science centers, with art and history museums achieving substantial but nonetheless lower attendance levels. Art and history museums also have lower admission charges, particularly for children but art museums have much higher membership levels than history museums.

Comparative Data by Museum Type, 2013	Reported Average Attendance	Adult Price	Child Price	Child Price as % of Adult	Memberships	Memberships as % of Attendance
Art Museums	291,346	\$12.55	\$7.13	56.8%	13,789	4.7%
Aquariums	762,679	\$19.90	\$13.68	68.7%	17,132	2.2%
Botanical Gardens/Arboretums	468,793	\$10.56	\$6.35	60.1%	13,088	2.8%
Children's Museum	360,661	\$11.48	\$10.76	93.7%	7,729	2.1%
History Museum	398,672	\$11.91	\$7.26	61.0%	5,055	1.3%
Science Museum/Center	920,829	\$14.66	\$10.68	72.9%	9,431	1.0%
Zoo	959,894	\$15.04	\$10.74	71.4%	32,664	3.4%
Other Museum Types	278,864	\$13.59	\$7.88	58.0%	7,832	2.8%
Average for All	660,224	\$13.71	\$9.31	67.8%	13,340	2.6%
Median for All	433,733	\$13.07	\$9.28	64.9%	11,260	2.5%
<i>Morey Group, 2014. Sample size of 253 and generally larger institutions</i>						

2.1.3 SURVEY DATA REGARDING GENERAL MOTIVATIONS OF MUSEUM/CULTURAL VISITS

Impacts Research and Development tracks 224 visitor-serving organizations in the United States, including performing arts, museums and related institutions, with survey data that is regularly updated from 124,000 participants but is largely from 2017.¹ Of course, the data are skewed by which visitor-serving organizations are part of the 224, which is not divulged. Since there is a membership payment involved to receive the detailed data, it is likely that they represent larger, wealthier organizations, which skews the data somewhat. Similarly, it is unclear who in the general public was surveyed among the 124,000 respondents. For example, respondents need to have easy access to the Internet and be willing to take the time to be surveyed.

Colleen Dilenschneider in a weekly blog, *Know Your Own Bone*, reports on the highlights of the data and offers a variety of insights associated with them. This section considers some of Colleen's insights and offers our own associated with the data and its applicability to the proposed Museum of Utah. Additional analyses of potential markets are set out in Chapter 3.

Among the survey data of particular interest to the operations/business planning and projections study for the Museum of Utah are the following points:

- **Attributes of People Most Likely to Attend Cultural Organizations/Facilities:** The Impacts survey in 2017 found that only 16% of the US population visited any cultural organization within the past two years. The attributes associated with them differ for those born before 1980 and those during or after 1980 (millennials). For those in the older age category, the primary attributes are higher education and higher income and includes more of those who are white, non-Hispanic. For culturally active millennials, the characteristics and behaviors are similar, but there is less reference to white, non-Hispanic. *The data point to a more diverse younger audience for culture that will grow over time.*
- **Attributes of People Who Express Interest in Cultural Organizations/ Facilities but Do Not Attend:** The Impacts survey identified these as also representing 16% of the U.S. population. Surprising is that these persons have higher levels of education and income than those who are active attenders, whether millennials or not. The main reason for not attending, despite these positive characteristics, is that their time is precious, and they simply prefer alternative leisure activities (sporting events, movies, etc.). The second ranked reason not to attend despite expressed interest in culture was access challenges and the third was "have already visited." The latter reason not to attend, despite interest in culture, confirms the importance of change to motivate repeat visitation. Although cost is only 15th of 16 reasons cited, there is also a tendency for people in surveys not to wish to appear "cheap." The results are similar for millennials and non-millennials with the largest differences among millennials referring to scheduling and transportation issues, negative experiences and attitude affinity perceptions ("it is not for people like me"). Non-millennials were more likely to refer to safety concerns and access challenges for not attending. In comparing cultural types, the Impacts survey found that the greatest negative attitudes ("not for people like me") were for orchestras, theatre performances, gardens, art and history museums, in that order. The museum types with the lowest percentage of negative attitudes (most positive) were zoos, aquariums and science museums. These are

¹ *National Awareness, Attitudes and Usage Study* (Impacts Research and Development, Washington DC, 2017 and partially updated annually)

museum types that are the most mass market and that offer the strongest appeal to children.

- Attributes of Unlikely and Non-Visitors:** The Impacts survey of 124,000 American adults reported that 38% of the U.S. market are unlikely visitors who require an incentive or direct motivation like accompanying a visiting friend or relative to attend while 30% will not attend under almost any circumstances. An important factor for non-attendance is a growing preference to stay at home. In 2011, about 21% of respondents expressed a preference to stay home during the week. By 2017 this figure had grown to nearly 25%. Among the culturally active the stay at home preference on weekends grew from about 29% in 2011 to 36% in 2017. *The internet, Netflix and other at home opportunities are an important and growing competitor to museum and other cultural attendance.*
- Entertainment Value is the Primary Motivator of Attendance and the Primary Measure of Visitor Satisfaction:** Entertainment value is reported to be a four times greater measure of visitor satisfaction than educational value. The museum types that have higher perceptions of entertainment value than educational value also generally attract the most visitors. These include zoos, aquariums and science centers. The museum types in which the visit is perceived to be more educational than entertaining include art and history museums, planetariums, memorials, and surprisingly, children's museums. The perception of greater educational than entertainment value for children's museums is likely because it is adults being surveyed. *Noteworthy is that the survey finds entertainment value motivates visitation, but educational value justifies visitation, so both are important.*
- Millennials are already the Most Frequent Attendees to Cultural Organizations:** Millennials (born in 1980 to 1996) surpassed baby boomers (1946-1964) in numbers and account for the largest percentage of the population. Millennials, according to Impacts, also account for the highest percentage of cultural attenders, with the spread growing over time with the maturing of the millennial generation. In 2011, baby boomers accounted for about 24% of attenders but declined to 22% in 2017. Conversely, millennials as a percentage of total attenders grew from 29% in 2011 to 32%. However, baby boomers who are cultural attenders exceeds baby boomers as a percentage of the US population by 0.4% while attendance by millennials trails their percentage of the US population by 4.8%. *The data reflect that for most types of cultural institutions attendance increases with age until mobility or health-related factors cause a decline in attendance, which is the case for an increasing number of baby boomers.*
- Importance of Attending as Children to Adult Cultural Attendance and Other Benefits of Attracting Children:** The Impacts survey found that, on average, those who visited a cultural attraction as a child are 73% more likely to have visited a similar organization type within the last two years than someone who did not or doesn't recall visiting as a child. The Impacts survey also found that about 75% of parents believed that taking a young child to visit gives the child an "edge" in their academic or intellectual development. *Among museum types that have greater challenges attracting young children (art, history, public gardens) the data confirm the need to consider children's galleries, family days with special programing, or free or very low admission charges for children.* This, however, needs to recognize that attracting children must not have a negative impact on attracting adults who do not wish to be in the same space at the same time as young children, whether in school groups or with families, and may point to the need to separate incompatible market segments in space or time. It must also be recognized that according to the U.S. Census, the percentage of households with children has declined from about 51% in 1970 to about 36% in 2017.

- **Racial Diversity by Type of Cultural Organization:** 2016 data from the U.S. Census Bureau indicates that about 39% of people in the United States identified as “non-white alone.” However, the Impacts survey of 224 cultural organizations found that none of the cultural institutions met the 39% threshold. Most likely to include a diverse audience are zoos (37%), aquariums (31%), history museums (30%) and science museums (29%). Somewhat lower are art museums (27%), botanic gardens (16%), and orchestras (12%).
- **Tourists are Motivated About Visiting a Specific City Far More than Attending a Specific Museum:** When surveyed about leisure activity motivations, nearly 69% referred to visiting a city, slightly less than visiting friends and relatives (70%), but substantially more than visiting historic locations (30%), a science center, aquarium or zoo (17%) or a museum (11%). In other words, people are most likely to be motivated to visit a city and friends and relatives, then consider visiting museums while already there. *The data emphasize the importance of appealing to local residents as a way to target tourist market segments.*
- **Importance of Hours of Operation to Attendance:** The Impacts survey reported that the open schedule ranked the highest in influencing attendance decision-making, followed by cost and travel distance. The main issue associated with schedule is inconvenient hours of operation for people who work during the week and have various commitments on weekends. *The dilemma for museums in considering extended evening hours is recognition that evenings are times when a museum may be rented out for substantial revenue as well as the additional staff and other costs associated with opening later.*
- **Importance of Change to Repeat Visitation:** The Impacts survey confirms that perceptions of “nothing new to see or do” is a major barrier to repeat visitation. However, the analysis also shows the risks of a reliance on regular blockbuster exhibitions and suggests offering change in less expensive ways.
- **Importance of Social Media:** Social media ranks higher than the mobile web and the web as the source of information about cultural institutions for both high-propensity and inactive likely visitors. Impacts found that social media plays an important role in motivating visitation, that followers are more likely to visit cultural organizations and report better experiences. *This requires a staffing commitment to social media and is something that many museums do not do, but that needs to be planned for the Museum of Utah.*

2.1.4 SURVEY DATA REGARDING OPERATIONS AND REVENUE GENERATION

The Impacts Research and Development survey also leads to insights regarding revenue generation and operations, including the following points:

- **Effect of Admission Prices on Attendance:** The Impacts survey data and other surveys cited show that admission prices are not a primary barrier to visitation. However, this may reflect who is being surveyed and a propensity for people to seek to avoid appearing “cheap” in surveys. Dilenschneider cites data where even free admission had limited impact on attendance but ignores many other examples in which free admission had a major impact on attendance. She argues that discounting decreases visitor satisfaction citing data that found visitors who received free admission had an 8% lower satisfaction rate than those who paid full admission.

The Impacts data indicate that those who receive free admission are 48% less likely to return within one year compared to those who paid the full admission price. (The

experience of Lord Cultural Resources suggests that admission prices, and free admission, do have an important impact on attendance levels assuming a good quality visitor experience). But as Dilenschneider notes, free admission is not the same as being welcoming. *The Museum of Utah will either be free to all or partially charged. In either case it will be important to appear welcoming at a site that is currently perceived to be intimidating by some persons interviewed.*

- **Benefits of Membership:** Contradicting the Dilenschneider multi-repeated conclusion that admission charges are not a primary barrier to attendance is the Impacts survey finding that the number one motivation for membership was free admission, followed by supporting the mission of the institution, then discounted guest tickets and member events. Of note in considering the difference between millennials and non-millennials was that millennials ranked supporting the mission of cultural institutions as of higher importance than free admission. If accurate, that is positive for the future.
- **New and Renewed Memberships:** Impacts found that the total cost of attracting a new member was five times the cost of keeping an existing member. They also found that the revenue from renewed members over a 5-year period exceeded the revenues from a new member by close to 36%. This, of course, reflects a greater propensity for renewed members to move to upper categories and become donors. Balancing revenues vs. costs, Impacts found that the net value of a renewed member was 66% greater than a new member. The data confirm the importance of retaining existing memberships and therefore a 2-year membership option.
- **Operating Costs are Exceeding Earned Revenues:** The data indicate that between 2010 and 2016 the operating expenses of the cultural organizations increased by 27% while earned income increased by 17%. More have cut costs than increased earned income, and cutting costs has in turn made it even more challenging to increase earned income. Many have sought to increase private and to a lesser extent governmental support. *In the case of the Museum of Utah, it is already understood that the state of Utah will be the primary funder of operating costs whether admission is free or partially charged.*
- **Lost Donor Support:** The Impacts survey offers a variety of factors why donors stop supporting a cultural institution. The highest ranked reason was not being acknowledged or thanked for a previous donation, then simply not asked to donate again. Third ranked was a lack of information about the use of the funds, followed by forgetting to donate or a decision to donate to another organization. *As discussed earlier, state history museums have difficulty generating substantial private support, but it still needs to be pursued.*
- **The Financial Importance of Highlighting Mission:** Impacts used data that indicate cultural organizations which offer strong “reputational equities” (visitor perceptions of trust, authority, credibility and satisfaction) had better financial performance (revenue efficiency) than cultural institutions marketed primarily as attractions. This is largely because mission-focused institutions are more likely to receive contributed income, which would help to pay for programming, marketing and other costs that in turn helps to increase earned income.

2.2 BENCHMARKS FROM OTHER STATE HISTORY MUSEUMS

This section considers the experience of existing state history museums, including those that also focus on art, and the implications to the planning of and projections for the Museum of Utah. The first part utilizes published data from the 2019 Official Museum Directory for all state museums or state historical societies in the nation and therefore excludes Utah and Hawaii. The second part includes more detailed survey data and interview feedback from five state museums identified to offer a reasonable level of comparability to the Museum of Utah.

2.2.1 ANALYSIS OF PUBLISHED DATA REGARDING 48 STATE HISTORY MUSEUMS

The data set out in the following table and analyzed below are as reported in the 2019 Official Museum Directory. The data are supplemented with published information associated with the adult admission charge and the family membership charge from the respective web sites of each of the museums. It must be emphasized that some of the figures reported in the Official Museum Directory are clearly inaccurate, particularly with respect to attendance levels. This is because the Official Museum Directory simply repeats the attendance data when new data are not provided. However, the median and average figures for the 48 state museums are useful for the purposes of informing our judgment regarding operational benchmarks and projections.

The analysis of key findings and implications for the Museum of Utah are set out here and focus on comparing average and median figures for free and charged admission state history museums:

- **When State Museums Founded:** The average year of founding is 1892. This does not necessarily mean that the specific state history museums have existed for that long but *does confirm that a Museum of Utah is long overdue.*
- **Location of State Museums:** The vast majority are in the capital cities of each state. In all six cases in which the state museum is not in the capital city it is in a city with a larger population than the state capital. Salt Lake City is the largest city in Utah so there is no issue of it being located anywhere else.
- **Total Attendance and Trends for Free and Charged Museums:** Not surprisingly, reported attendance levels are higher for museums offering free admission. The average attendance figure for free admission state museums is close to 20% higher than those with fixed admission charges while the median attendance is more than double. It must be emphasized, however, that there is a much greater likelihood for inaccurately higher reported attendance figures when admission is free. *Relative to the reported 2012 figures, the median and average attendance increased in 2018 for both free and charged admission state history museums.*
- **Changes in the Number of Free and Charged Admission Museums:** In 2018 there were 30 charged admission state history museums and 18 that offered free admission. Between 2012 and 2018 four museums that formerly offered free admission switched to fixed admission charges. One, the Museum of Nebraska History, previously had a very modest \$2.00 adult admission charge and offered free admission to all in 2018. *The data for state history museums follows a common pattern of free admission museums more likely to switch to charged admission than vice versa.*
- **Membership:** All but seven of the state history museums report having membership programs, including the large majority of museums offering free admission to all visitors.

Average and median family membership charges are only somewhat higher for charged admission museums relative to those offering free admission suggesting that membership is motivated not only by value for money spent but also by pride and support for the mission of the museums. A membership program has been recommended for the Museum of Utah in both the free and charged admission scenarios.

- **Staffing Levels:** The average figures are skewed by very large museums; therefore, the median figures are more likely to be applicable to the Museum of Utah. The median is 25 full-time staff supported by 10.5 part-timers. Not surprisingly, *staffing levels tend to be larger for charged admission museums.*
- **History or History plus Art Focus:** The majority (26) of the 48 state museums focus on both history and art, while 22 report a focus only on history. Some include natural history and pre-history. As discussed further in Chapter 4, *the Museum of Utah is recommended to be a history museum that uses art to tell the story of Utah, with no separate art gallery.*
- **Theatre or No Theatre:** Some 19 of the 48 report having theatre facilities. This study has assumed a separate multi-purpose "Conference Center" on the second floor of the building to be operated by the Capitol Preservation Board. It will function as an auditorium, programming and especially as an events space. Since orientation should take place on the ground floor, we have recommended a small Orientation Theatre integrated into the Museum.
- **Open Days and Hours:** The largest number of state museums open to the public for six days per week, and usually closed on Mondays. Only four operate with a regular weekly evening opening.

Highlighted in the following table are the five state history museums selected for more detailed analysis in the following section of this chapter. It must be noted that the data for the selected state history museums are more up to date.

Published Data for State Museums and State Historical Societies															
Name of Museum	Year Founded	State Capital Location (Y/N)	Name of Capital City	Reported Attendance 2002	Reported Attendance 2012	Reported Attendance 2018	2012 Fixed Admission Charge (Adult)	2018 Fixed Admission Charge (Adult)	2018 Family Membership Charge	2018 FT Staff	2018 PT Staff	History (H) or Art (A) or Both (B)	Theatre (Y/N)	Days/Wk (majority of months)	Evening Open (Y/N)
Alabama Dept. of Archives & History	1901	Y	Montgomery	46,000	50,000	50,000	\$0.00	\$0.00	\$25.00	40	4	H	Y	6	N
Alaska State Museum	1900	Y	Juneau	65,604	60,000	60,000	\$7.00	\$12.00	\$50.00	11	3	B	N	7	N
Arizona Capitol Museum	1974	Y	Phoenix	76,372	60,000	60,000	\$0.00	\$0.00	N/A	10	5	H	N	5	N
Historic Arkansas Museum	1941	Y	Little Rock	50,000	50,000	60,000	\$2.50	\$0.00	\$50.00	21	20	H	N	7	N
California State Capitol Museum	1981	Y	Sacramento	513,000	513,000	513,000	\$0.00	\$0.00	\$25.00	23	19	H	Y	7	N
Colorado Historical Society	1879	Y	Denver	387,114	229,509	229,509	\$10.00	\$14.00	\$85.00	112	14	H	Y	7	N
Connecticut Historical Society	1825	Y	Hartford	36,420	60,000	60,000	\$6.00	\$12.00	\$60.00	17	10	H	Y	5	N
Delaware Historical Society, Wilmington	1864	N	Dover	106,164	60,000	40,000	\$4.00	\$6.00	\$65.00	15	36	B	N	4	N
Museum of Florida History	1967	Y	Tallahassee	160,759	62,862	55,668	\$0.00	\$0.00	\$60.00	22	6	H	Y	7	N
Georgia Capitol Museum	1895	Y	Atlanta	60,000	60,000	60,000	\$0.00	\$0.00	N/A	3	0	H	N	5	N
Idaho State Historical Museum	1881	Y	Boise	190,000	190,000	190,000	\$5.00	\$10.00	\$50.00	8	6	H	Y	6	N
Illinois State Museum	1877	Y	Springfield	392,459	374,122	323,650	\$0.00	\$0.00	\$50.00	11	10	B	N	7	N
Indiana State Museum & Historic Sites	1869	Y	Indianapolis	189,000	325,000	325,000	\$9.50	\$14.95	\$75.00	123	28	B	Y	7	N
State Historical Museum of Iowa	1892	Y	Des Moines	95,000	51,000	90,000	\$0.00	\$0.00	N/A	50	5	H	N	6	N
Kansas Museum of History	1875	Y	Topeka	120,557	52,202	31,359	\$6.00	\$8.00	\$60.00	11	2	H	N	6	N
Kentucky Historical Society	1836	Y	Frankfort	228,000	70,000	70,000	\$4.00	\$8.00	N/A	54	5	B	N	4	Y (Thurs)
Louisiana State Museum, (several sites)	1906	N	Baton Rouge	229,482	308,616	420,682	\$0.00	\$6.00	\$55.00	72	0	B	Y	6	N
Maine State Museum	1837	Y	Augusta	90,839	49,023	49,023	\$2.00	\$3.00	\$40.00	15	11	B	N	5	N
Maryland Historical Society, Baltimore	1844	N	Annapolis	105,000	18,000	18,000	\$6.00	\$9.00	\$65.00	24	12	H	N	5	N
Massachusetts Commonwealth Museum	1986	Y	Boston	10,000	10,000	10,000	\$0.00	\$0.00	\$200.00	42	11	B	N	5	N
Michigan Historical Museum	1879	Y	Lansing	164,154	150,000	87,574	\$6.00	\$6.00	\$75.00	18	4	B	N	7	N
Minnesota History Center (several sites)	1849	Y	St. Paul	1,100,000	1,000,000	975,939	\$11.00	\$12.00	\$79.00	360	260	H	Y	6	Y (Tues)
Museum of Mississippi History	1957	Y	Jackson	68,000	40,000	180,000	\$0.00	\$8.00	N/A	31	0	H	N	6	N
Missouri State Museum	1919	Y	Jefferson	200,000	458,746	458,746	\$0.00	\$0.00	N/A	10	15	H	N	7	N
Montana Historical Society	1865	Y	Helena	90,000	40,256	40,256	\$5.00	\$5.00	\$70.00	50	14	B	N	6	Y (Thurs)
Museum of Nebraska History	1878	Y	Lincoln	138,207	N/A	N/A	\$2.00	\$0.00	\$55.00	69	11	B	Y	7	N
Nevada State Museum	1939	Y	Carson City	80,012	30,624	38,983	\$8.00	\$8.00	\$60.00	17	4	H	N	5	N
New Hampshire Historical Society	1823	Y	Concord	48,492	23,189	23,189	\$5.50	\$7.00	\$75.00	12	15	B	Y	6	N
New Jersey State Museum	1895	Y	Trenton	335,000	300,000	158,000	\$0.00	\$0.00	\$75.00	26	15	B	Y	6	N
Museum of New Mexico	1909	Y	Santa Fe	71,513	642,100	642,100	\$6.00	\$12.00	\$100.00	285	28	B	N	6	N
New York State Museum	1858	Y	Albany	650,000	719,205	719,205	\$0.00	\$0.00	\$50.00	150	32	B	N	7	N
North Carolina Museum of History	1902	Y	Raleigh	256,000	324,000	342,000	\$0.00	\$0.00	\$100.00	144	5	B	Y	7	N
State Historical Society of North Dakota	1895	Y	Bismarck	100,000	100,000	250,000	\$0.00	\$0.00	\$45.00	78	40	H	N	7	N
Ohio Historical Society	1885	Y	Columbus	431,697	440,000	440,000	\$10.00	\$10.00	\$50.00	0	1	B	Y	5	N
Oklahoma Historical Society	1893	Y	Oklahoma City	65,000	415,377	297,543	\$5.00	\$7.00	\$50.00	144	45	B	N	6	N
Oregon Historical Society, Portland	1898	N	Salem	40,000	40,000	40,000	\$11.00	\$10.00	\$80.00	35	24	H	N	6	N
State Museum of Pennsylvania	1905	Y	Harrisburg	295,637	300,000	300,000	\$0.00	\$7.00	\$70.00	43	23	B	Y	6	N
Rhode Island Historical Society	1822	Y	Providence	49,196	30,000	30,000	\$0.00	\$8.00	\$75.00	14	21	B	N	6	N
South Carolina Museum, Charleston	1855	N	Columbia	3,500	3,500	N/A	\$5.00	\$5.00	\$100.00	7	4	B	N	5	N
South Dakota State Historical Society	1901	Y	Pierre	20,463	19,899	19,899	\$4.00	\$4.00	\$50.00	43	6	H	N	7	N
Tennessee State Museum	1937	Y	Nashville	149,844	175,000	180,000	\$0.00	\$0.00	\$50.00	50	0	B	N	6	N
Bullock Texas State History Museum	2003	Y	Austin	N/A	500,000	485,085	\$9.00	\$13.00	\$80.00	45	0	H	Y	7	N
Vermont Historical Society Museum	1838	Y	Montpelier	18,000	18,000	18,000	\$5.00	\$7.00	\$50.00	13	7	B	N	6	N
Virginia Historical Society Museum	1831	Y	Richmond	70,000	60,000	60,000	\$0.00	\$10.00	\$85.00	62	13	H	N	7	N
Washington State History Museum, Tacoma	1891	N	Olympia	120,000	81,670	81,670	\$9.50	\$14.00	\$75.00	19	23	H	Y	5	Y (Thurs)
West Virginia State Museum	1894	Y	Charleston	182,000	120,000	120,000	\$0.00	\$0.00	N/A	98	4	B	Y	6	N
Wisconsin Historical Museum	1846	Y	Madison	77,664	79,500	72,500	\$4.00	\$5.00	\$110.00	24	40	B	Y	5	N
Wyoming State Museum	1895	Y	Cheyenne	60,000	25,000	45,000	\$0.00	\$0.00	\$50.00	10	2	H	N	6	N
Average for All Museums	1892	-	-	170,982	187,009	191,773	\$3.63	\$5.44	\$67.66	52.9	18.0	-	-	6.0	-
Median for All Museums	1893	-	-	100,000	62,862	77,085	\$4.00	\$6.00	\$60.00	25.0	10.5	-	-	6.0	-
Average for Free Admission Museums	1914	-	-	197,478	205,578	214,704	\$0.00	\$0.00	\$64.23	47.6	11.3	-	-	6.3	-
Median for Free Admission Museums	1895	-	-	155,302	110,000	139,000	\$0.00	\$0.00	\$50.00	40.0	6.0	-	-	6.0	-
Average for Charged Admission Museums	1879	-	-	151,355	173,254	179,544	\$5.44	\$8.42	\$68.13	55.4	21.6	-	-	5.9	-
Median for Charged Admission Museums	1879	-	-	90,000	60,000	65,000	\$5.25	\$8.00	\$67.50	24.0	12.0	-	-	6.0	-

Source: Web sites and 2019 Official Museum Directory, with attendance data also from 2013 and 2003 Directories. Data are as reported and not always updated or accurate. N/A items are excluded from average and median calculations.

2.2.2 DETAILED BENCHMARKS FROM SELECTED COMPARABLE STATE HISTORY MUSEUMS

Five state history museums were selected for more detailed analyses and interviews based on their comparability to the Museum of Utah. Comparability primarily reflects issues of size and location. Those selected are as follows, in alphabetical order:

- Idaho State Museum, Boise
- Museum of Alabama, Montgomery
- Museum of Mississippi History, Jackson
- New Mexico History Museum, Santa Fe
- Washington State History Museum, Tacoma

A summary table, including potential implications to the planning of the Museum of Utah, is set out at the conclusion of this section of the report.

Idaho State Museum, Boise

The Idaho State Museum is located about one mile from the State Capitol Complex. Previously known as the Idaho Historical Society Museum, it closed in 2015 for a \$17 million renovation within its existing space and added 16,000 sq. ft. including a new front entrance, and a multipurpose Community Room used for programs and events. The Museum reopened in late 2018.

Even with the expansion the Idaho State Museum is relatively small at about 48,000 gross square feet and a modest 13,800 net sq. ft. of exhibition space. This includes two temporary exhibition galleries. Permanent galleries focus on the various regions of Idaho, the origins of its five federally recognized tribes, and a 1,600 sq. ft children's gallery. The children's gallery is credited with helping to increase attendance levels among the young family market and younger school groups. There is also a 30-seat theater opportunity in the Tribal Gallery that is believed to provide an orientation role, combined with staff who provide orientation regarding the museum experience to arriving visitors. Orientation to the Museum is also provided in a 3-minute film on the Museum web site.

Admission charges doubled from what they were before closing in 2015. The adult admission charge is now \$10 with discounts for other admission categories. With the exception of Title One and tribal schools, which receive free admission, school groups are charged at \$4.00 per student and account for 15% of all visitors, compared to 24% before the renovation. This confirms a widening of other market segments with implementations of more contemporary exhibits. About 32% of tracked visitors are seniors. Close to 60% of visitors are women, many of whom are accompanying children to the children's gallery. The market is primarily regional but 35% of visitors are from out of state.

The Museum is open daily with 10 a.m. to 5 p.m. hours and reduced Sunday hours from noon to 5 p.m.

The first full year of attendance after reopening led to an attendance total of about 50,000 visitors compared to about 35,000 before the expansion when the adult admission charge was \$5.00 and school group visitors were charged \$1.00. The attendance increase is less than

projected because the staff and operating budgets and marketing expenditures are much lower than assumed.

The Museum operates with a modest full-time staff of 12 supported by 10 part-timers, or about 15 full-time equivalent (FTE) staff supported by 20 regular and 90 periodic volunteers. The Museum reports operating revenues of about \$1.62 million, of which 67% is from the state government. Private donations account for only about 2% of the total with earned income at 31%. There is no endowment to support operations.

Staffing is the largest operating expense at 48% of the total, with exhibitions costs at 26% and 13% for building occupancy costs. Only about \$9,300 (less than 1%) is allocated to marketing.

Museum of Alabama, Montgomery

The Museum of Alabama is located next to the State Capitol and in a very large 163,600 sq. ft. building that includes the state archives and is the collections repository for the state. The building was constructed in 1940 and the major change was in revamping all of its exhibitions in 2015 in a relatively small space of 17,500 net square feet. This includes a 10,000 sq. ft. permanent exhibition called *Alabama Voices*, plus a 1,200 sq. ft. temporary exhibition space and a 1,400 sq. ft. children's gallery. ***The children's gallery leads to the most repeat visitation and a market that does not skew as old as most state history museums.*** About 55% of non-school visitors are female.

Admission is free for all visitors in part because there are two entrances and it would be too expensive to staff them both relative to the modest admissions revenues that might be generated. A discussion of the two-entrance issue as applied to the Museum of Utah is set out in Chapter 4.3.

The Museum of Alabama has a relatively large 1,638 sq. ft. retail store, which the Director stated is too large today. Venue rentals are offered in a multi-purpose 115-seat auditorium and an adjoining flat floor space. Most rentals are offered for free to government users and to not for profits that have affiliations with state history. Despite free admission, the Museum has a membership of 500, who join largely to support the Museum as opposed to seeking value for money.

Attendance levels are surprisingly low despite free admission offered to all visitors. In 2019 total attendance was 45,000, of which 60% attended in school groups, primarily at the elementary level with the peak in Grade 4. The relatively low attendance by the general public is attributed to a variety of factors:

- A location isolated from other traffic generators. Unlike in Salt Lake, the adjacent Capitol building in Montgomery does not feature exhibits, events or programs since there has been a museum next to it for many years. There are thus no real combination visits, as will occur in Salt Lake.
- All temporary exhibitions are produced internally, with relatively low investment in each case.
- The Museum has the same architecture as the other government buildings and there have been restrictions on banners and signage.

- The Museum has a very limited marketing budget and most people are unaware of it, with the exception of teachers, who are offered regular teacher training programs.
- The Museum is closed on all Sundays, which is generally a peak attendance day for museums. Hours are from 8:30 a.m. to 4:30 p.m. during the open days.
- There is no incentive for attendance or revenue generation as all income generated goes back to a general revenue fund.

The Museum of Alabama has a staff of 52 full-time and 10 part time, supported by 35 regular and 20 periodic volunteers. The staff is both for museum and archival functions and some staff work for both. It is therefore not possible to separate out museum staff, but an interview subject commented that staff levels devoted to the Museum are believed to be too low.

The operating budget for the overall Museum/Archives was \$9.3 million in 2019, of which 95% is from state government sources. The operating budget is artificially high because the state requires the museum to pay rent to the state, which is close to \$3 million per year. Accordingly, staff costs appear low at 40% of the operating budget. If rent paid to the state were excluded, then staffing costs would be at a more common 59% of total operating expenditures.

Museum of Mississippi History/Civil Rights Museum, Jackson

The Mississippi History Museum was previously located inside the Capitol building in Jackson. It relocated along with a new Mississippi Civil Rights Museum to a new site about two blocks away in a co-located complex that opened in December of 2017, the bicentennial of the state. The complex includes about 206,400 gross square feet of space, or 319,100 including a parking garage. Collections storage encompasses a large part of the building. There is a combined approximately 49,600 sq. ft. of exhibition space. A multi-purpose 446-seat auditorium is located in the central area that connects both museums and which also includes a 1,772 sq. ft. retail store 1,500 sq. ft. cafe.

The public investment in the museum complex was \$90 million, plus \$21 million raised from private funders, for a total \$111 million. Current fundraising efforts include an objective to raise \$4 million to endow free admission to the museums to all school children attending. At present, only Title One schools receive free admission.

Visitors are provided with the opportunity to attend either or both museums. The adult admission charge to each of the museums is \$10, with discounts for other ticket categories as shown on the following table. The adult combination ticket to attend both the History and the Civil Rights museum is \$15. In the opening month attendance was about 30,000. In 2018, it was about 220,000 visits because there is double counting of visitors attending both separately charged museums. In 2019 there were 172,000 visits and 117,000 different visitors. There is a combo ticket option for both museums, plus visitors to separately charged major exhibitions or event and program attendees. The Civil Rights Museum attracts nearly twice as many visitors as the History Museum. A total of close to 46,800 visitors attended the History Museum either separately or with the combination ticket.

About 23% of visitors attend in school groups. Some pay admission but most are free with substantial private sponsorship. About 25 are regional residents, 10% from elsewhere in

Mississippi and 45% from out of state, attracted primarily by the Civil Rights Museum. Repeat visitation levels are low, estimated at only about 15% within a 12-month period.

Operating hours are Tuesday through Saturday 9 a.m. to 5 p.m. and noon to 5 p.m. on Sundays. Mondays are closed.

Staff work at both museums. There are 25 full-time staff, supported by 12 part-timers, or 29 FTE. However, these figures do not take into account that the two museums are part of the Mississippi Department of Archives and History, which provides centralized administrative, marketing and other services to both, as well as to other museums, archives and sites throughout the state. Another state agency absorbs utilities and other building occupancy costs. The estimate of operating costs specific to the two museums was about \$4.69 million in 2019 with \$5.56 million budgeted in 2020.

Including centralized staff, the staffing costs account for 75% of the total operating budget, which appears much higher than common because the operating budget does not include building occupancy costs. The state of Mississippi provides about 70% of operating revenues, with earned income at about 25%, with about 5% in private support, partially for the free admission offered to some school groups.

New Mexico History Museum, Santa Fe

The New Mexico History Museum is located in downtown Santa Fe and represents an expansion of the 17,800 historic Palace of the Governors with a 94,000 sq. ft building completed in 2010. The museum exhibition space in the Palace of Governors and what is referred to as the Peter Domenici addition totals a combined 31,300 square feet and is believed to be appropriately sized. With a downtown location, there is no food service operation and also parking challenges.

The building includes a 210-seat fixed seat auditorium on the second floor that is reported to be underutilized both for programming and venue rentals. A small orientation theater on the ground floor would be preferred in New Mexico if there was an opportunity to reconfigure the space, especially if it is also orientation to other heritage opportunities elsewhere in the state.

The Palace of the Governors is in the midst of a 2-year renovation which caused attendance levels to decline from about 139,200 in 2017 to 99,300 in 2019. Peak attendance took place with the opening of the expansion in 2010 at close to 200,000 paid and free visitors. The highest attendance is likely to also be the case in the opening year of the Museum of Utah.

The New Mexico History Museum offers lower admission charges for New Mexico residents than out of state visitors. This is the policy for all state governed museums. There is no senior discount for out of state visitors as the \$12.00 admission charge applies to all persons over 16 years of age. New Mexico adults and seniors are charged \$7.00. All children 16 and under and all school groups are offered free admission. Despite discounted admission for New Mexico residents, free admission is offered to all New Mexico residents on the first Sunday of each month, to all seniors each Wednesday and to all New Mexico foster parents and foster children every day. In addition, public programs are offered for free to New Mexico residents. Free admission visitors accounted for 37% of total attendance in 2019.

The Museum operates daily from May through October and closes on Mondays during the other months of the year. Open hours are consistently 10 a.m. to 5 p.m. on a year-round basis,

with free admission Friday evenings from 5 to 7 pm for New Mexico residents. The free admission opportunities mean that about 45% of all visitors do not pay any admission charges.

Only about 3% of total visitors arrive in school groups. This reflects a common policy of only one funded field trip per year and a greater likelihood for school groups to use that field trip to attend the New Mexico Museum of Natural History and Science, which offers the STEM linkages most sought by the schools. Among non-school visitors about 67% are aged 65 or over, which is much higher than the norms. The data reflect tourism in New Mexico that skews older and a greater propensity to take part in visitor surveys. Actual figures are likely somewhat lower. The market skews 55% female and repeat visitation is low at only about 10%. ***Relatively few attenders are of Hispanic/Latino descent. This is believed to reflect the fact that the Museum focuses almost exclusively on earlier history and does not relate to more recent immigrants. This is an important issue for the planning of the Museum of Utah.***

There is no separate membership for the History Museum as membership is for all museums and historic sites in the New Mexico Museum System. About 8% of total visitors to the History Museum are members. Senior discounts of 10% are offered on all membership categories.

The Museum operates with 38 full-time staff persons, no part-timers and 60 regular volunteers. This includes Foundation staff responsible for revenue generation. Total operating revenues were about \$3.5 million in 2019, of \$3,127,000 (89%) was from the state of New Mexico. This figure is complicated by the fact that all museum admission revenue goes into the state general fund, which includes the admissions revenue. Excluding that admissions revenue, the state contribution to the Museum would likely be in the range of 80%. Close to 60% of operating costs was allocated to staffing.

Washington State History Museum, Tacoma

The Washington State History Museum in Tacoma is located in downtown Tacoma, which is not the state capital. Its mission is to partner “with all our communities to explore how history connects us all.” It is operated by the Washington State Historical Society under the approval of the Washington State Legislature.

The Museum is in a large 106,000 gross square foot building, of which 37,825 square feet is exhibition space. It includes a 215- seat lecture theatre and a 1,400 sq. ft. museum-operated retail store. A small 500 sq. ft. café is concessioned out to a private operator.

The Museum is open daily from 10 a.m. to 5 p.m. but offers a late opening on Wednesdays to 8 p.m. when free admission is offered. The current adult (18+) admission charge is \$14 with discounts for other categories as shown on the following summary table. Free admission is available only to children aged 5 and under.

In 2017/18 the Museum reported close to 83,000 annual visitors, an increase over previous years with the opening of a new *Washington, My Home* gallery, which features diverse stories from Native American tribes to early European settlers to more recent immigrants including Syrian refugees.

About 15,400 (18.5%) of the total visitors attended on school field trips and about 13,600 attended on free or substantially discounted admissions (16.4%). Available data from 2015

indicates that women accounted for 64% of non-school visitors, that 19% were seniors and that 37% of visitor parties included children.

The museum operated with 35 FTE staff supported by 82 volunteers. Its operating budget was \$3,962,000, of which earned income represented about 31%, with governmental support at 66%, almost all from the state of Washington. Private support at only 3% confirms the difficulty faced by state history museums in generating private funding for operations even when governed by an Historical Society.

Summary Data Table and Key Findings

The following table summarizes key benchmarking data associated with the five selected comparable state history museums. Among key findings of the data and the analysis above are the following points of particular interest to the Museum of Utah:

- Attendance levels at the five state history museums are compared below. The assumed exhibition space for the Museum of Utah, at about 16,885 net sq. ft., is about the same size as the Museum of Alabama and larger than the Idaho State Museum, both of which report relatively modest attendance levels. Alabama offers free admission to all visitors, whereas the others charge. The figures for visitors per square foot exhibition space are in the same general range. The table sets out exhibition space and attendance specific to the charged admission Museum of Mississippi History. This study has recommended increasing spaces to which the public at the Museum of Utah would have access by means of a strong focus on visible storage and behind the scenes tours of collections storage in the lower level of the new building. There is also an opportunity to encourage visitors to tour gallery and other spaces in the Capitol.

State History Museum	Exhibition Space (net sq. ft.)	Reported Attendance	Visitors per Sq. Ft. Exhibition Space
Idaho State Museum	13,800	50,000	3.62
Mississippi History Museum	25,000	46,800	1.87
Museum of Alabama	17,500	45,000	2.57
New Mexico History Museum	32,000	131,500	4.11
Washington State History Museum	37,825	83,000	2.19

- Contemporary, immersive and interactive experiences in new, expanded or renovated state history museums helped to increase attendance levels from prior levels. This includes children's galleries and initiatives to focus on the stories of more recent immigrants.
- Excluding the Mississippi History/Civil Rights Museum, which is supported by central staff, staffing levels vary between 35 and 55 full-time equivalent (FTE) personnel and account for 48% and 60% of total staffing costs.

Staffing	Full-Time Equivalent Staff	Staff as % of Operating Costs	Regular Volunteers
Idaho State Museum	38	48%	60
Mississippi History/ Civil Rights Museum (all common staff)	29	75%	N/A

Museum of Alabama (both museum and archives staff)	55	59%	35
New Mexico History Museum	38	60%	60
Washington State History Museum	35	N/A	82

- A very large percentage of operating revenues are from the respective state governments, with limited private support, as shown on the following table.

Operating Revenue Sources	% State Government	% Private/Endowment	% Earned Income
Idaho State Museum	67%	2%	31%
Mississippi History/ Civil Rights Museum	70%	5%	25%
Museum of Alabama	95%	0%	5%
New Mexico History Museum	80%	8%	12%
Washington State History Museum	66%	3%	31%

2.3 BENCHMARKS FROM SELECTED LOCAL ATTRACTIONS

This section considers the experience of several selected local museums and related attractions that were the subject of interviews. The data provide useful benchmarks both for the recommendations in Chapter 4 and the attendance, operating revenue and expense projections Chapter 5.

Those interviewed include representatives from the following institutions, set out below in alphabetical order. The analysis includes potential implications for the Museum of Utah:

- State Capitol Complex (Capitol Preservation Board)
- Clark Planetarium
- Discovery Gateway Children's Museum
- LDS Church History Museum
- Natural History Museum of Utah
- Thanksgiving Point
- Utah Museum of Fine Art

2.3.1 STATE CAPITOL COMPLEX (CAPITOL PRESERVATION BOARD)

The Museum of Utah will be located across the plaza from the State Capitol. About 200,000 people are reported to visit the Capitol each year, many related to state government business, especially during the Legislative session. The Rotunda and other attractive spaces in the Capitol, as well as the Senate building, White Chapel and outdoor opportunities have long been used for weddings, proms, corporate meetings and a variety of other events offered by

the Capitol Preservation Board. Those rental opportunities result in less of an intimidation factor associated with attending the State Capitol Complex than might otherwise be the case.

In FY2019, about 53,000 persons took no-charge, docent-led tours of the Capitol. About 27,900 students from throughout the state visited by means of the bus funding program. This means that in addition to free admission to the Capitol, many school groups also do not pay for the cost of busing. As discussed in Chapter 4, this study has recommended free admission to both children and school groups to the Museum of Utah if the charged admission scenario is selected. The combination of the Capitol and the Museum of Utah should lead to substantial numbers of school group visits each year.

The Capitol Preservation Board receives no annual state appropriation. Revenues are generated by means of renting out various spaces, including the Rotunda. As is common, the Museum of Utah will require a substantial annual state appropriation to support operating costs. All revenue from rentals in the Museum, including its lobby, are currently assumed to accrue to the Capitol Preservation Board. This will avoid competition and eliminate the need for the Museum to allocate staff to the rentals business.

2.3.2 CLARK PLANETARIUM

The Clark Planetarium is located in downtown Salt Lake and features a 288-seat IMAX Theater and a 170-seat Planetarium Theater as well as 10,000 sq. ft. of exhibition space. The exhibition space is believed by the Director to be too small. She would also like to have multi-use space that could be used for orientation, classroom and programming purposes. There is also a need for a school lunchroom.

Admission to the exhibition space is free of charge and school groups also receive free admission to both theaters. Admission charges to the theaters are \$9 for adults and \$7 for children with no discount for seniors.

Attendance levels are reported to be in the range of 300,000 annually, of which 75,000 are free admission school group visitors. Excluding school groups, tourists account for about 20% of all visitors. ***Although Sunday is a slow attendance day the Planetarium is open on that day in order to serve non-LDS residents and tourists.***

The Planetarium is named for a major funder as was previously the case when it was the Hansen Planetarium. ***This study does not recommend giving up naming rights to the overall Museum of Utah but does recommend selling naming rights for various galleries.***

The Planetarium has a full-time staff of 32, supported by 100 part-timers to reflect substantial open hours. There are currently no volunteers, but the Planetarium is planning to hire a Volunteer Coordinator. Its operating budget is about \$6.4 million. About 55% of operating revenues are from earned sources, with 40% from government, including County ZAP funding and \$900,000 from the State to ensure that public school groups receive free admission. Only 5% is from private support. The Planetarium does not have an endowment to support operations. The retail store is 1,200 sq. ft. and does very well with \$750,000 in sales because of the popularity of science toys for children. ***A smaller retail store has been recommended for the Museum of Utah, as is common for most state history museums.***

2.3.3 DISCOVERY GATEWAY CHILDREN'S MUSEUM

Discovery Gateway is located downtown. The building is a substantial 78,000 sq. ft. of which 60,000 sq. ft. is exhibition space and thus substantially larger than the exhibition space planned for the Museum of Utah. The Museum has a 0-10 age focus.

The resident market in and near Salt Lake City includes a substantial number of large families, the core market for a children's museum. This contributes to about 280,000 annual on-site visitors. About 38,000, or close to 14% of all visitors attend in school groups. Unlike the free admission offered to all school groups in several other museums, Discovery Gateway charges \$5.00 per student. However, Title One schools receive free admission and transportation scholarships. As is common in children's museums, peak attendance is among pre-schoolers. Relatively few tourists attend and are primarily visiting friends and relatives in the region.

Although Discovery Gateway is a successful children's museum in Salt Lake the experience of other history museums in cities with children's museums suggests consideration of a separate children's gallery in the Museum of Utah or a particularly strong emphasis on hands-on opportunities for children. This is because many adults are motivated to attend museums based on perceived interest to children.

As is common in children's museum, children and adults both have the same admission charge, is \$12.50, with a \$10 admission for seniors. A lower \$10 admission charge on Sundays has served to increase attendance levels from what was previously a slow attendance day. Larger families are reported to lead to a strong level of price sensitivity and the value of membership. The Museum reports 3,000 household memberships. Members visit an average of 5.7 times per year. One of three non-school visitors attend as members. School groups pay \$5 per student.

Discovery Gateway reports a full-time staff of 36 supported by part-timers and volunteers. Its operating budget is about \$3 million, of which close to half is earned income, 35% from the County and other government sources, and the remainder from private funds, mostly corporate to reflect bank and other commercial themes oriented to children. The building is owned by Utah County, which offers free rent to the Museum, valued at \$1.1 million annually.

A retail store was found to be unprofitable and was closed in favor of space for very popular birthday parties. However, some retail opportunities are available on mobile carts.

Future plans include enhancements to the second-floor exhibitions. The first-floor exhibitions were improved over a 3-year period at a cost of \$2 million. Improved exhibitions contributed to higher attendance and allowed for implementation of higher admission charges. *The Director advises planning for exhibition replacement from the outset of the Museum of Utah. This recognizes that exhibits need to be replaced with new exhibits periodically. This study recommends that a reserve for exhibition replacement be implemented as part of the operating budget of the Museum from the opening year. This will build up a fund for exhibition replacement to be used starting no earlier than Year 3.*

2.3.4 LDS CHURCH HISTORY MUSEUM

The LDS Church Museum opened in 1984 and was renovated in 2014. It tells the story of the Church of Jesus Christ of Latter-Day Saints from 1820 to the present, with the focus on the

earlier period of Church history, which is very much core to the story of Utah. The Museum is located west of Temple Square, which is reported to attract some 5 million visitors per year.

Like Temple Square in general, there is no admission charge to attend the Church Museum, which reports in the range of 250,000 visitors per year. It offers only 6,000 square feet of exhibition space, which was expressed by the Executive Director to be too small and helps to explain why only about 30% of visitors to the Museum are out-of-state tourists whereas a much higher percentage of visitors to Temple Square are tourists. Current renovations to Temple Square should encourage more persons to attend the Church Museum.

The Museum is open from 9 a.m. to 9 p.m. daily, except for Sundays. The Museum generates substantial income from retail sales in an 1,800 sq. ft. retail store. The store is not intended to be profitable and so is priced modestly to only be self-sustaining and has a relatively large staff of three full-time persons supported by 12 volunteers.

The overall Church Museum operates with a full-time staff of 24, supported by 262 volunteers. It is funded entirely by the LDS Church. Detailed financial data regarding the Museum was not disclosed.

2.3.5 NATURAL HISTORY MUSEUM OF UTAH

The Natural History Museum of Utah is both a State and University Museum that is no longer on campus and instead located in a natural site next to Red Butte Garden. It opened in late 2011 in a building of 163,000 sq. ft. of which 45,000 sq. ft. is exhibition space.

The Natural History Museum attracted 355,000 in its first year of operation. As is common, attendance levels declined in the second year to 241,000. However, various initiatives have seen attendance levels to grow to the 290,000 - 300,000 range in recent years. These include:

- Free admission for Utah public and charter schools school groups, which account for 55,000 visitors compared to 35,000 at opening. This study has recommended free admission for school groups whether or not there is charged admission to the Museum of Utah.
- Better selection of temporary exhibitions based on greater experience of public likes and dislikes.
- Wednesday evening openings to 9 pm (\$5 after 5) that attract a more culturally diverse market, and other programming initiatives.
- Festivals that attract 5,000 visitors on a weekend. The plaza area between the Capitol and the Museum offers opportunities for festivals as well.

Not included in the attendance figures are rentals, meetings and research visitors. The adult admission charge of the Natural History Museum opened at \$9.00 and increased three times over the years to the current \$14.95. Discounted rates are offered to both seniors and youth (aged 13-24) at \$12.95 and children (3-12) at \$9.95.

About 20% of visitors are from out of state and are more likely than Utahns to attend on Sundays. The Museum opens from 10 a.m. to 5 p.m. daily, including Sundays, with the weekly evening opening on Wednesdays. This study has recommended that the Museum of Utah

open with a once per month evening opening and increase frequency if there is adequate market demand.

Membership levels mirrored attendance patterns and opened at 5,000 households, declined to 3,600 and has been in the 4,000 range in recent years. Lower level memberships generated about \$388,000 in the last fiscal year, with upper level members providing \$415,000, for combined membership revenue of \$803,000. The Museum of Utah is likely to have far fewer memberships and associated revenues, but a membership program has been recommended, as set out in Chapter 4 of this report. The retail store at close to 1,000 nsf grosses \$650,000 in revenue, very much reflecting purchases for children.

The Natural History Museum operates with a full-time staff of 75, supported by 160 part-timers and volunteers. ***With a statewide mandate, the Museum has a staff of eight focused on outreach to residents and schools elsewhere in Utah. Outreach at a more modest level will need to be considered in planning the staffing needs of the Museum of Utah.***

The Natural History Museum operating revenues totaled about \$11.6 million, of which state, university and other government support, including ZAP funds, accounted for 39%, while private contributed income, including memberships and a small endowment, combined for 31%, and all sources of earned income totaled 30%.

2.3.6 THANKSGIVING POINT

Thanksgiving Point is a multi-attraction venue located in Lehi, about 30 miles south of Salt Lake City, an area that is rapidly developing. It operates as a not-for-profit institution and its development has been phased over time. Attraction elements are as follows, and shown in rank order of attendance popularity:

- Museum of Natural Curiosity: Opened 2014, offering 400 interactive experiences, functioning very much as a science center and is the most popular of the museum-related options available at Thanksgiving Point. Interactive experiences will also be important for the Museum of Utah.
- Butterfly Biosphere: It is 40,000 square feet and opened in 2019 and ranks second for attendance largely because it is relatively new. Attendance is expected to decline in the future.
- Ashton Gardens: Opened in 1997 as Thanksgiving Gardens and operates seasonally from May through October plus the very popular Christmas light show period. It ranks third for attendance because of the festivals and events on site.
- Museum of Ancient Life: Opened in 2000 and features 60 dinosaur models and 3D Mammoth Screen movies. It ranks fourth highest for attendance, despite the appeal of dinosaurs, because it is dated, and because large format theater opportunities are available in commercial cinemas. This study has not recommended a large format theatre for the Museum of Utah.
- Farm Country: Operates on a year-round basis, featuring wagon and pony rides. It is the least popular and there are plans to enhance the visitor experience in the future.

Apart from Farm Country, which is charged at \$10 for all visitors, each of the other four attractions are charged at \$20 for adults (13-64), and \$15 for seniors and children. ***There is no***

lower priced youth admission ticket category, but it is being considered for the future. A discounted youth admission price has been recommended for the Museum of Utah as set out in Chapter 4. School groups pay \$4 or \$5 per ticket.

Thanksgiving Point offers a lower price combination ticket, including all five attractions, at \$34.95 for adults and \$24.95 for children and seniors. There are options for additional charged attraction features, ranging from a butterfly release experience to “mammoth screen” movies to a canopy rope course. ***The data confirm that people are willing to pay relatively substantial admission prices for high quality experiences.***

Thanksgiving Point reports about 2.3 million visitors in 2019. This figure includes restaurant, retail and event visitors. The largest indoor space for rentals accommodates 600 persons while outdoor opportunities may serve up to 1,000. About 1.4 million people attend the five venues but with combination tickets there is a lower number of unique person visits. About 20% of visitors are reported to be from out of state, many of whom are visiting friends and relatives. A membership program includes about 20,000 households.

Thanksgiving Point is closed on Sundays for religious rather than market reasons, but remains open during the other days of the week to 7 p.m.

The site operates with a full-time staff of 100, supported by 800 volunteers. Its operating budget is about \$23 million, of which 85% is earned income, with 11% from private support and 4% from government sources. ***The earned income level reported by Thanksgiving Point is far more substantial than the museum norms, especially the norms for state history museums, set out earlier in this chapter, because it does not seek to achieve the preservation, research and education mission of museums such as the Museum of Utah.***

2.3.7 UTAH MUSEUM OF FINE ART

The collection of the Utah Museum of Fine Art is primarily national and international and there is thus no conflict with the in-state art collection of the Museum of Utah. The Museum of Fine Art offers 24,000 sq. ft. of exhibition space, which is believed by the Museum Director to be inadequate but is still larger than the 16,885 sq. ft. of exhibition space currently assumed for the Museum of Utah.

The Museum of Fine Art is located near the edge of the campus of the University of Utah to help break down the intimidation factor felt by some about attending a museum on a university campus. ***Some people will also be intimidated about attending the Museum of Utah within a complex of government buildings. This study recommends consideration of measures to help reduce the intimidation factor.***

The Museum of Fine Art opens daily, including Sundays, at 10 a.m. in order to offer uniformity. It opens weekly on Wednesdays to 9 p.m. despite limited attendance in part because there are relatively few students who live on campus.

Total annual attendance is reported to be in the range of 100,000 visitors, including a substantial number of free admission and venue rental visitors. Attendance has reached as high as 130,000 in the past depending on the popularity of specific art exhibitions. About 20,000 are children, half attending in school groups. Children and school groups receive free admission. The adult admission charge is \$12.95. University students, faculty and staff account

for about one quarter of all visitors. The majority are regional residents as very few tourists attend. The membership includes about 800 member households.

Admissions and retail spaces are separate, requiring different staff to operate both. *This study recommends consideration of integrating the retail store of the Museum of Utah with the admissions/information/membership.*

The operating budget of the Utah Museum of Fine Art in FY2019 was about \$4.1 million, of which government and university sources account for about 50%, including the County Zoo, Arts and Park (ZAP) tax. The Fine Art Museum operates with a debt because of an unexpected need to replace the building's vapor barrier. Private support generates about 28%, with the endowment at less than 1%. Earned income provides about 21%.

Staffing costs represent about 75% of operating expenses. The exhibitions budget varies annually and is often in the \$200,000 to \$300,000 range. In FY2019 it was \$95,000.

2.3.8 SUMMARY TABLE

The following table summarizes some of the key data above.

Summary of Key Data from Other Museums and Related Institutions in and Near Salt Lake City	Capitol (Capitol Preservation Board)	Clark Planetarium	Discovery Gallery Children's Museum	LDS Church Museum	Natural History Museum of Utah	Thanksgiving Point	Utah Museum of Fine Art	Notes/Comments
Estimated Size of Exhibition Space (nsf)	3,000	10,000	60,000	6,000	45,000	Five attractions	24,000	Thanksgiving Point: Museum of Natural Curiosity, Butterfly Biosphere, Ashton Gardens, Museum of Ancient Life, Farm Country
Adult Admission Price	\$0.00	Exhibitions \$0.00; Theatre \$9.00	\$12.50	\$0.00	\$14.95	\$20.00	\$12.95	School groups also free for Clark Planetarium theatre shows
Child Admission Price	\$0.00	Exhibitions \$0.00; Theatre \$7.00	\$12.50	\$0.00	\$9.95	\$15.00	\$0.00	Combination charge for Thanksgiving Point is \$34.95 for adults and \$24.95 for children
Reported Total Attendance	200,000	300,000	280,000	250,000	290,000	2,300,000	100,000	1.4 million visitors to five Thanksgiving Point attractions
School Groups as % of Total Attendance	14%	25%	15%	Relatively few	22%	N/A	10%	Cost of buses and admission charges are very important for school groups
Residents as % of Total Attendance	N/A	60%	74%	70%	85%	80%	Most	
Tourists as % of Total Attendance	N/A	20%	26%	30%	15%	20%	Few	
Memberships	N/A	N/A	3,000	N/A	4,000	20,000	800	Figures are member households
Sunday Opening	Yes	Yes	Yes	No	Yes	No	Yes	Capitol is tours. Visitor Center not on weekends
Evening Opening (after 6 p.m.)	Yes	Yes	No	Yes	Yes	Yes	Yes	
FT Staff	13	32	36	3	79	100	25	
PT Staff	N/A	0	N/A	0	212	22	48	
Volunteers	Numerous	100	Numerous	12	289	215	169	
Operating Budget	N/A	\$6,400,000	\$3,000,000	N/A	\$11,800,000	\$23,000,000	\$4,100,000	
Sources of Revenue								
% Earned	N/A	55%	50%	N/A	30%	85%	21%	
% Endowment	N/A	0%	0%	N/A	31%	0%	1%	Small endowment for Natural History Museum
% Private Support	N/A	40%	15%	N/A		11%	28%	
% Government/University	N/A	5%	35%	N/A	39%	4%	50%	

Sources: Published information and interviews by Lord Cultural Resources

2.4 BENCHMARKS AND LESSONS FROM STATE PARKS

The experience of Utah State Parks is also instructive for the Museum of Utah. Whereas general funds previously supported 50% of the operating budgets of State Parks, an emphasis on entrepreneurship has reduced it substantially. However, this does not apply to the seven heritage/museum parks, whose preservation and educational responsibilities are understood to exceed the ability to generate revenues that are possible in recreational parks. This helps to confirm the reality that the Museum of Utah will require substantial operating support from the state government.

Notwithstanding the foregoing it is also important for the Museum of Utah to learn from the entrepreneurial culture of State Parks. For example, as an incentive for revenue generation, operational surpluses are not turned back to state general revenues but retained by the Park to implement enhancements. There are also financial incentive bonuses of up to \$750 per employee as determined by the Park Manager. Moreover, all State Parks are required to develop business plans to seek to maximize attendance and revenues.

2.5 SUMMARY OF MAIN FINDINGS AND POTENTIAL IMPLICATIONS FOR MUSEUM OF UTAH

The following points summarize the main findings and conclusions from the contextual and comparables analyses, which help to inform the recommendations in Chapter 4 and the projections of attendance, operating revenues and expenses in Chapter 5.

- History and art museums generally do not attract as many visitors as museums that have stronger appeal to children. A visitor experience that offers more hands-on, interactive and immersive experiences of appeal to children will help to increase attendance levels for the Museum of Utah. Such experiences are increasingly expected by adults as well.
- All museums need operating funds from a combination of earned, private, endowment and government funds. State history museums require a much higher percentage of operating support from state government sources and are more challenged in generating financial support from private funders. It is also far more difficult for state museums to generate endowment and other private funds for both the capital project and an endowment and so no endowment is assumed to support the operating costs of the Museum of Utah.
- State history museums are more likely than common in the museum sector generally to offer free admission to all visitors. However, the trend is to an increasing number of charged admission state history museums.
- A challenge for the Museum of Utah is the need to limit staff levels balanced against the need for an adequate professional staff to meet its mission and visitor service and operational requirements. Previous assumptions about needed staffing levels are clearly inadequate when compared to figures from other state history museums and museums in general with collections care, research and educational responsibilities as well as a statewide mandate.

3. ANALYSIS OF POTENTIAL MARKETS

This chapter analyses potential resident, school and tourist markets for the Museum of Utah.

3.1 RESIDENT MARKETS

The resident market is of primary importance for most museums for the following main reasons:

- Residents are readily accessible and available on a year-round basis.
- Residents can be made aware of the Museum and its exhibitions and programs more easily and more cost-effectively than tourists.
- Residents are most likely to be repeat visitors.
- Residents are more likely to become volunteers, members and donors.
- Residents often advise, and accompany, visiting friends and relatives to area attractions, including museums.

This section considers available data and interview feedback that focuses on population totals and projections and various key demographic and socioeconomic indicators including educational attainment, income, age and ethnicity as well as developments that may affect the market for the Museum of Utah.

Population Totals and Projections

The following table sets out population data and projections for both Salt Lake and Utah Counties, which essentially constitute the resident market for the Museum of Utah. The data are compared to figures for Utah and the nation as a whole and indicate the population of Salt Lake County is the largest but that more substantial population growth will take place in Utah County to the south. In each case, population growth in Utah is projected to exceed the national average. Factors that may affect the size of the population and its demographic profile include the following points:

- An inland port or industrial logistics hub encompassing about 10,000 acres west of the airport to connect airport, rail and highway logistical resources. This will enable customs to be offered in Salt Lake much more quickly and efficiently than on the coast in California. Existing models include Kansas City for the Mississippi River and Greer, South Carolina for the Atlantic.
- A \$3 billion renovation of the airport to not only add more national and international flights but also increase employment levels.
- Some 5 million square feet of additional real estate development that will add 50,000 jobs.
- A new north-south highway through the Valley that will parallel I-15
- A further increased emphasis on technology. Utah already ranks 46% higher in technology jobs than the national average, with each position averaging a \$106,000 salary. One in every seven jobs is reported to relate to tech.
- Utah is likely to bid for the winter Olympics in 2030 or 2034.

Resident Populations	Actual	Estimate	Projected	Projected	% Change Projected	% Change Projected	% Change Projected
	2010	2020	2030	2040	2010-2020	2010-2030	2010-2040
Salt Lake County	1,029,655	1,181,471	1,396,414	1,414,842	12.8%	26.3%	27.2%
Utah County	519,975	679,188	861,852	1,080,082	23.4%	39.7%	51.9%
Utah	2,775,480	3,291,010	3,889,310	4,463,950	15.7%	28.6%	37.8%
USA	308,745,538	327,200,000	359,402,000	406,646,000	5.6%	14.1%	24.1%

Sources: Kem C. Gardner Policy Institute, April 2019 and Woods and Poole Economics for US Projections

Age

The following table compares median age profiles of Salt Lake and Utah Counties to state and national averages and indicates ***a substantially younger median age for the residents of Utah relative to the national average. This reflects a larger number of children and a growing economy that is attracting younger people to the state.*** Of note as well is that the median age of Utah County residents is much younger than that of Salt Lake County residents.

Although there is a need for the Museum of Utah to appeal to all ages, the data suggest the importance of a museum focused on the history and art of Utah to ***appeal to a greater extent than is common for history and art museums to appeal to children. This confirms the importance of contemporary interactive and immersive experiences more likely to be expected by younger people.***

Key Age Distribution 2020 -2040	Salt Lake County	Utah County	Utah	USA
Median Age 2020	34.0	25.9	31.9	37.2
Median Age 2030	37.1	27.6	34.0	38.1
Median Age 2040	38.6	29.2	35.7	39.0

Sources: Kem C. Gardner Policy Institute, April 2019; Woods and Poole Economics for US Projections

In 2017, data from the US Census Bureau, Population Division, indicates that Utah ranked highest among all states for the percentage of children under 5 years of age, and also for children 5-17.

Although there is a need to offer more appeal than common to children and youth, the data in the following table illustrating population projections for the two Counties compared to the state indicates that the number of children 5-17 will not grow over the next two decades in Salt Lake County and that the major growth will be in Utah County and elsewhere in the state.

The data also indicate a ***substantial growth in the number of seniors everywhere***. Projections prepared by the Kem. C. Gardner Policy Institute indicate that seniors as a percentage of the total Utah population will increase from about 10.2% in 2015 to 15.1% in 2035 and to 19.0% in 2055. This is positive for the Museum of Utah since market for history and art museums tends to skew older and because of increasing longevity for seniors. Also positive is that seniors are more likely to be volunteers, which will help to control the operating costs of the Museum of Utah. ***The data also point to the importance of opportunities to be entertained while seated, especially for seniors, confirming the need for an orientation theater.***

Key Age Distribution 2020 -2040	Salt Lake County	Utah County	Utah
2020			
School Age (5-17)	233,118	157,738	705,631
Working Age (18-64)	723,469	396,462	1,957,722
Retirement Age (65+)	134,413	56,747	391,442
2030			
School Age (5-17)	233,974	183,088	736,180
Working Age (18-64)	793,383	504,595	2,284,097
Retirement Age (65+)	190,083	87,708	564,649
2040			
School Age (5-17)	232,733	234,190	826,429
Working Age (18-64)	859,674	620,688	2,597,226
Retirement Age (65+)	229,065	121,337	701,572

Sources: Kem C. Gardner Policy Institute, April 2019

Gender

Women account for a slightly larger percentage of the population but are generally a more important market for most museums than are men. In addition to generally being more interested in culture, the main reasons are as follows:

- Women tend to make the decisions in a household regarding educational experiences for their children. Therefore, the greater the perceived educational benefits of museums, the more likely they will be selected.
- Women account for a large majority of teachers, especially at the elementary school level, who usually make the decisions regarding school field-trip destinations.
- Women tend to make the decisions regarding attractions to visit while on family vacations and account for a majority of tour group passengers and trip planners.

In general, women account for about 55% of the market for history museums and about 60% of the market for art museums so this is positive for the Museum of Utah. Of particular importance to women are issues of personal safety.

Access from parking and public transportation and the perceived safety of the area are both important factors to potential attendance by women and those they influence. The site at Capitol Hill is very positive with respect to these factors, particularly with the planned addition of parking.

Educational Attainment and Income

Level of educational attainment is the variable with the closest correlation to museum and other cultural attendance and participation, as supported by numerous studies. The higher the level of educational attainment the more likely that a person will attend or participate. Like education, income is also an important indicator of potential cultural attendance but is not as significant an indicator as education. That is, high-education, low-income persons are more likely to attend than are persons of high income and low education.

In 2017, Utah ranked 8th in the nation for the percentage of residents aged 25 or over with a bachelor's degree or higher. As of July 2018, U.S. Census data indicate that some 33.6% of Salt Lake County, 40.1% of Utah County, and 32.5% of state of Utah aged 25 or over Utah had at least a bachelor's degree compared to the national average of 31.5%. This is positive for the planned Museum of Utah.

Income is an important indicator of potential attendance too. The table below indicates a higher per capita personal income for Utah residents compared to the national average and also a lower percentage of Utah residents living in poverty. Within Utah the per capita income is higher in Salt Lake County, but the median household income is higher in Utah County, reflecting its larger families. *The data suggest an ability to pay admission charges to the Museum of Utah for most residents. However, even with charged admission there will need to be opportunities for those in financial need to be provided with free admission.* Recommendations are set out in Chapter 4.

Income Levels, 2017	Per Capita Income	Median Household Income	% Living in Poverty
Salt Lake County	\$49,445	\$67,922	9.0%
Utah County	\$38,149	\$70,408	9.4%
Utah	\$43,459	\$68,374	9.0%
United States	\$32,621	\$60,293	11.8%
Source: US Bureau of Economic Analysis, Quick Facts, November 15, 2018			

Race/Ethnicity

The following table confirms that Utah is one of the least ethnically diverse states in the country. Nonetheless it is important for a museum that focuses on the history of the state to *seek to tell stories associated with more recent immigrants as well.*

Race/Ethnicity	White	Black/ African American	Asian	American Indian	Hispanic	Mixed/ Other
Salt Lake County	71.4%	1.6%	4.2%	0.1%	18.2%	4.6%
Utah County	82.4%	0.6%	1.7%	0.5%	11.7%	3.6%
Utah	78.5%	1.1%	2.4%	1.0%	14.0%	4.0%
United States	60.0%	12.6%	4.8%	0.1%	16.3%	6.2%
Source: US Census Bureau Population Division, 2017						

3.2 SCHOOL MARKETS

It will be important for the Museum of Utah to focus on the school market for the following main reasons:

- Education is part of the mission and mandate of all museums that seek opportunities to broaden and deepen participation from school groups.
- Children brought to museums as part of school field trips often convince their parents to take them again.
- For children in lower income/education families, attending on a field trip is often the only opportunity to attend.

Key considerations associated with potential school group visits are enrollment levels, curriculum links, field trip policies and cost issues.

Enrollment

The table below indicates enrollment levels reported by the 2017 American Community Survey, which includes a substantial enrollment in both public and private schools, especially at the elementary level in which most school field trips take place. The data also indicate a very substantial percentage of students at the college/university and graduate school levels, who are both potential researchers and visitors. *This study has recommended an admission charge structure, if implemented, that offers a discount for those in youth categories (13-24) whether or not in College. This recommendation was implemented by the Natural History Museum of Utah as well.*

School Enrollment Levels	Salt Lake County	Utah County	Utah	USA
Population 3+ years enrolled	324,448	226,961	958,707	81,751,797
Nursery school	21,667 (6.7%)	12,923 (5.7%)	60,041 (6.3%)	4,934,251 (6.0%)
Kindergarten	17,827 (5.5%)	11,380 (5.0%)	51,479 (5.4%)	4,136,743 (5.1%)
Elementary	136,802 (42.1%)	87,358 (38.5%)	404,559 (41.1%)	32,831,258 (40.2%)
Highschool	67,080 (20.7%)	41,597 (18.3%)	195,202 (20.4%)	17,001,421 (20.8%)
College or graduate school	81,072 (25.0%)	73,703 (32.5%)	247,146 (25.7%)	22,848,124 (28.0%)
Source: 2017 American Community Survey				

Curriculum Links

Interviews confirmed that interest in Utah history would be applicable to many grades, with more units of study in Grades 4 and 7. No changes to social studies or history education standards for Utah that might affect the Museum of Utah are known at this time.

Field Trip Policies and Cost

Although Utah history studies are focused on grades 4 and 7, far more field trips take place in Grade 4 because they are with the same teacher all day. This Grade 4 peak attendance currently takes place for field trips to the State Capitol. ***Interviews confirmed the substantial likelihood that field trips in the future will include both the Capitol and the Museum of Utah.***

Although most Utah students reside within a 90-minute drive of Salt Lake City, the Utah State Board of Education allocates \$150,000 to \$200,000 per year for Utah students from outside the region to travel by bus to Salt Lake City to attend the Capitol. ***It is likely that the Museum of Utah will increase the demand for buses for students from outside the region and therefore the likelihood that this budget will need to be increased.***

There are no mandated field trips in Utah. Decision-making regarding field trip selection is made initially by the classroom teacher, who seeks approval from the Principal. Field trips must be related to the curriculum and the Museum of Utah will certainly meet that criterion. Of note is that field trips are far less likely to take place in April through early June when testing takes place and also less likely in September and December. The window of opportunity when school buses are available is generally from 9:30 a.m. to 1:30 p.m. if school buses are used. The window is much wider if private buses are rented.

Regarding admission charges, these naturally have an effect on school group attendance. This study has recommended free admission for school groups whether or not there is free or partially charged admissions for other visitors.

University Market

While there are generally no organized field trips to museums at the university level, university students on individual study represent an important market segment for the Museum of Utah. And they may attend as interested visitors. As shown above, there are over 81,000 college and graduate students in Salt Lake County and nearly 74,000 in Utah County.

3.3 TOURIST MARKETS

Salt Lake City and Utah attract tourists largely because of the natural beauty and recreational features they offer, including national and state parks and skiing opportunities. In Salt Lake, the LDS Temple Square is also a major attraction.

The following indicators of tourism growth over the past four decades demonstrate an increasingly strong tourism market potential for the Museum of Utah²:

² Note, the decline in attendance figures for State Parks after 1997 is due to implementation of a more accurate method to count visitors.

	1987	1997	2007	2017
Accommodations Sales	\$197 M	\$519 M	\$1,006 M	\$1,932 M
National Park Visits	3,556,069	5,537,260	5,445,591	10,507,960
State Park Visits	5,489,539	7,184,639	4,925,277	5,690,677
SLC Airport Passengers	10.2 M	21.1 M	22.0 M	24.2 M
Skier Days	2,368,985	3,101,735	4,249,190	4,145,321

A study by the Kem C. Gardner Policy Institute “The State of Utah’s Travel and Tourism Industry” (May 2018) highlights that 10 of the 14 ski resorts in Utah are less than an hour from the Salt Lake International Airport. These help to establish year-round tourism opportunities for the state. Shoulder season arts events including the Moab Music Festival, the Sundance Film Festival and the Utah Arts Festival, help to widen the tourism market as well.

A study prepared by Omnitrak “Calendar Year 2108 – Utah TravelTrakAmerica Visitor Profile Report and Insights” (July 2019) offers the following data for Utah as a whole:

- **Total Visitor Arrivals:** There were 19.8 million arrivals in 2018 compared to 15.6 million in 2011. The peak was in in 2016 at 20.3 million arrivals.
- **In-State and Out-of-State Tourists:** Some 54% of tourists traveling at least 50 miles from home were residents of Utah, while 46% were from out of state. ***In-state tourists to Salt Lake City are likely to have an even greater interest in the history of their state than out of state tourists.*** Some 46% of tourists within Utah are from the Salt Lake region and are therefore residents and not tourists. Salt Lake is the primary destination for 31% of visitors. Among out-of-state visitors California accounts for the highest number of visitors followed by Nevada, Idaho and Colorado.
- **Leisure, Business and Unclassified Visitors:** Leisure travelers are far more likely to have the time and opportunity to attend museums. The data indicate that leisure travelers accounted for close to 79% of all tourist visitors and 93% when “unclassified” visitors are excluded. The percentage is even higher among in-state vs. out-of-state tourists. On the other hand, a location of the Museum of Utah at the State Capitol Complex is likely to attract more visitors on government business than would be possible at another location.
- **Length of Stay and Mode of Transportation:** Utah residents stay 3.4 nights and residents from other states in the range of 4.0 nights. Those arriving from nearby states are most likely to drive so the availability and cost of parking will be factors in their decision to attend the Museum of Utah. Air travel accounts for 13% of all visitors, but that is important since Salt Lake has the only major airport in the state.
- **Demographic Profile of Tourists:** The tourist market skews female (58%), married (60%), and Caucasian (83%). The average age was 46 and the average household income was \$83,200. Out-of-state tourists were somewhat older, with higher household incomes, more likely to be married, and Caucasian.
- **Travelling with Children:** About 31% of Utah residents and 20-33% of tourists from nearby travel with children. Many adults will select things to do based upon the perceived interest to children. Although history museums have greater challenges in appealing to children, doing so will help the Museum of Utah to maximize its attendance.
- **Activities/Attractions of Visitors:** Some 42% visited friends and/or relatives. This is very important because it is the residents who advise and often accompany their visitors. This is shown by data that in planning travel in or to Utah, 37% of out of state visitors rely on the opinions of friends and relatives within the state.

Among in-state visitors 47% visit friends and/or relatives. ***The data confirm the primary importance of appealing to Utahns if tourist attendance for the Museum of Utah is to be maximized.*** Among other activities, visiting national or state parks/monuments was the highest. Some 9% of out-of-state visitors attended any museums. The addition of the Museum of Utah should help to increase this percentage.

Visit Salt Lake reports that the norm is for out of state tourists to fly to Salt Lake, stay for one day then go to National or State Parks, skiing and other recreational pursuits. Visit Salt Lake is seeking to extend the length of stay in the city and a new Museum of Utah is seen to be consistent with that objective.

The airport expansion will increase international flights, helping to increase tourism from countries such as China and India in which LDS and other tourism opportunities in Utah are seen to be unique in the United States. The Office of Tourism and Film would like to place a greater emphasis on cultural tourism to complement the strength of adventure tourism. Other positive features, in addition to airport enhancements and a new north-south highway, referenced earlier, includes a new convention hotel at the Salt Palace.

Hotel occupancy rates are reported to be 70% on a year-round basis with little seasonal variation. This is positive for all attractions, including the planned Museum of Utah. A "Connect Pass" that offers discounted admission to 16 attractions in Salt Lake has been in place for 20 years. It returns 80% of the revenues to the venues and sells about 40,000 passes per year. The cost is \$32 for one day with discounts for more days. The averages number of attractions visited is 7.7.

4. RECOMMENDATIONS/ ASSUMPTIONS

The projections of attendance, operating revenues and expenses for the Museum of Utah in the following chapter are based on benchmarks from the contextual, comparables and market analyses in the previous chapters as well as the approved recommendations and assumptions here.

The recommendations/assumptions are set out in the following categories:

- Mission and Vision
- Site and External Environment
- Spaces and Facilities
- Capital Investment and Capital Funding Sources
- Visitor Experience and Collections
- Governance, Staffing and Volunteers
- Operations and Revenue Generation
- Branding, Marketing and Communications
- Other Assumptions

4.1 MISSION AND VISION

The core concept for the Museum of Utah is expressed in its mission statement, as follows: “The Museum of Utah honors the past and inspires the present by sharing the state’s unique history, culture, and art.”

- No change is recommended to the mission statement.

The current vision statements are as follows:

“The Museum of Utah preserves and presents the best of Utah.

The Museum highlights Utah's contributions and connections to the West, the Nation and the World.

Through honesty and authenticity, the Museum celebrates constructive cultural change.

The Museum creates a central focal point for Utah, its people and history."

- A slight modification to the final point in the vision mission statement is recommended that would add that the Museum is to not only be a central point or hub but also to encourage visitors to explore other opportunities elsewhere in Utah. It is the hub and spoke concept already identified for the Museum of Utah that should also be expressed in the vision statement.

4.2 SITE

The Museum of Utah will share a site that is currently collocated with the State Capitol, the East Senate and Legislative buildings. The museum will replace an existing office building to be demolished. All four structures will face a central, open-air plaza. Based on our observations, the strengths and weaknesses of the site that will affect the recommendations and the projections of attendance, operating revenues and expenses are as follows:

Strengths:

- **Proximity to the Capitol:** The Capitol already conveys a strong sense of history and is reported to attract 200,000 persons per year, based on infrared counters, and is primarily persons on government business. Some attend events and other venue rentals and tour the displays offered. This includes school groups visits from throughout the state, many of whom are provided with free bus transportation. There are also large numbers of tours groups who attend, including international groups reported to be attracted, in part, by the free admission offered. There are substantial crossover opportunities to attend the Museum of Utah for those already visiting the State Capitol Complex, and vice versa.
- **Aesthetics of the Site:** The attractiveness of the Capitol building and plaza, cherry blossoms in the spring, and being a starting point for hikes all help to make the site attractive to visitors. In addition, views and access to the nearby City Creek Canyon add to the overall appeal of the site for visitors.
- **Proximity to the nearby Tourism Council:** That facility offers visitor information, thereby increasing the likelihood for tourists using it to also attend the Museum of Utah nearby.
- **Parking:** There is adequate parking on site except during the 45-day legislative session from late January to early March. The limited available parking is on weekdays, but except for school groups, attendance tends to be higher in museums on weekend days. Moreover, most school group visitors will arrive by buses, which can drop off and pick up the children and park off-site. (Additional bus queuing is also included in the museum site planning.) Some 600-700 state employees will be relocated and there are also plans for two levels of additional underground under the North Plaza to add 350 spaces. As such,

we believe that parking will be a strength not a weakness. This is particularly the case because all parking at the State Capitol Complex is free.

- **Land Availability:** Despite the topography of the site, there is ample land to accommodate this expansion along with meeting future parking needs for users and visitors.

Weaknesses:

- **Limited Impulse Visit Opportunities:** Visiting the Capitol is usually a pre-determined and not an impulse decision as might be the case in a walkable downtown location while shopping, eating or visiting other attractions. The only impulse opportunity to attend the Museum of Utah would be for those visiting the Capitol and deciding to also attend the Museum of Utah.
- **Intimidation Felt by Some People to Attend the Capitol:** The perception of being not welcoming was raised both by workshop participants and some interview subjects as a weakness of the site, but it was also stated that the Museum of Utah could help to mitigate or reverse the intimidation factor.
- **Public Transportation:** There is a bus that travels to the State Capitol Complex and there are plans to further improve public transportation to it. However, public transportation was considered a weakness by workshop and interview subjects unlikely to be enhanced until the Museum of Utah opens.
- **Orientation:** It was also expressed that a general lack of consistent signage made wayfinding within the site a challenge for some visitors.

4.3 SPACES AND FACILITIES

The State of Utah retained VCBO Architects and AJC Architects to design a 4-storey building that will house the Museum of Utah, collections storage (Museum and State History), a conference center/auditorium, educational spaces, and offices for both the Museum staff and other government employees. Lord Cultural Resources was asked to provide input into the programming, or right-sizing, of the spaces, and general advice to be considered by the Department and its architects.

The following review is based on architectural (bubble) diagrams, received by Lord Cultural Resources on March 5, 2020, and a visitor experience plan received February 28, 2020.

Key assumptions and recommendations are as follows for consideration by the architects and Business Planning Committee:

- **Program Allocation:** Most of the public areas of the Museum (galleries, museum store, security and limited amenities) will be located on the ground floor. Museum staff offices will be on the second floor, along with a Conference Center/Auditorium operated by the Capitol Preservation Board and associated breakout/classroom spaces. The basement of the building will be used for collections storage, exhibit processing and the loading dock. We recommend controlled public access to visible storage and periodic behind-the-scenes tours of collections storage in the basement as described below.

- **Public Space Allocated for the Visitor Experience:** At a combined 16,885 net square feet of space for core and special exhibits the exhibition space on the first floor is not overly substantial. However, given facility, capital and operating cost realities, there may be potential opportunities that to address the issue and increase the overall visitor experience and exhibit content potential. Our recommendations and observations are as follows:

- **Museum Entry:** The current designs indicate two entries: a main entry on the north side, accessible from the parking pad, and a secondary entry from the plaza to the south. No entry from the underground parking is currently planned. The north entry is important as it provides direct access for visitors from the parking pad. This location is also vital as it relates to the location of the museum story. However, the entry facing the Capitol is also important as it will encourage visitors to attend both buildings.

A central rotunda is planned that includes a feature stair and a bank of elevators, and an indication of a point of sale (POS) station. This configuration is appropriate as it allows for better security and staffing efficiencies, particularly in the scenario of partially charged admission.

- **Integration of the Retail Store and Admissions/Information/Membership Desk:** With two entrances and a central point of sale it would be practical to integrate the retail store with the admissions/information/membership desk (POS) to would allow the same staff and volunteers to operate both during slower periods. With a general trend to smaller retail stores and on-line sales, the size of the retail space could be reduced even further from the currently assumed 835 sq. ft., if necessary. Noteworthy is that even the high attendance Discovery Gateway eliminated its retail store because it was not profitable. The retail store could offer a cooler for pre-packaged sandwiches, desserts and cold beverages, as well as machine-generated hot beverages.
 - **Visitor Orientation:** With integration of retail with admissions/information it might free up space to allow for a small (30-seat) orientation theater to be added and situated to encourage visitors to follow a logical chronological flow starting with Encounters. The theater will help provide context for visiting the Museum's exhibitions, tell stories about Utah and encourage visitors to go to other museums and sites throughout the state. The theater could also be scheduled for school and small public presentations. It will provide opportunities to be entertained while seated, which is especially important for a growing seniors population.
 - **Gallery Flow:** The current plans appear to indicate multiple points of entry to the various galleries. However, the plans also do not appear to allow movement through / from one gallery to another, thus requiring the visitor to retrace their steps to exit and visit another gallery. It is unclear if the intent of the interpretive storyline is to be experienced in individual galleries, or perhaps sequentially or along a historical timeline. This notwithstanding, we recommend that, if possible, the design should consider allowing visitors to be able move directly from one gallery to another, and if possible, be one-directional. This recommendation is more relevant in a ticketed scenario, as it will limit the amount of control and monitoring required at each entry. Another option for consideration would be the use of a visible proof of purchase (sticker, button etc.) that security personnel can visibly check within the gallery space itself. This option is preferred over control points at each gallery entrance for reasons of staffing and staff costs.
- **Collections Processing:** Best practice for museums recommends the creation of a consolidated and secure collection processing suite, including a dedicated art elevator to

service the gallery levels above. The suite would ideally have a separate shipping and receiving area and overseen by a shared security office. This suite would contain as much of the collection processing areas as possible, including temporary storage, crating / uncrating solation, clean work rooms, etc. However, it is understood that a dedicated shipping and receiving area is not possible. In this case, we recommend that access to the collection processing spaces be via a secure corridor with limited access to museum personnel only.

Managing an active collection to support a range of permanent galleries and changing exhibition galleries requires appropriately sized back-of-house facilities for receiving shipments, unpacking crates, temporary storage, and safe movement of collections. The collection support sequence is important for the efficiency and security of all collections (loaned or permanent).

Overall, the spaces included for the collection support and processing function appear to meet the needs of the museum, and are largely right-sized, with the following exceptions. Our specific recommendations are as follows:

- **Collection Viewing Room:** The size and location of this room directly adjacent to the collection storage is appropriate as this space will contain collections. Direct access from the collection storage areas to this room is recommended for the secure and efficient movement of collections. However, the client may consider if this room is to be accessible by the public as part of a behind-the-scenes tour or for research purposes via visible storage. If this is the case, we recommend consideration be given to the demarcation between staff and secure corridors. The size of this room (700sf) seems appropriate, although a slight increase (1,000sf) will allow greater flexibility for larger groups.
- **Exhibit Prep:** We assume this space relates to clean exhibit preparation and final mounting of exhibits. We recommend this room not be accessible via the staff corridor for security reasons. The size of this room is appropriate.
- **Wood Shop:** We assume this function relates to mount-making and dirty construction for the exhibits program. If so, we query its location next to the archeology lab given the nature of the work in both rooms. We suggest consideration that this room be located adjacent to the Exhibit Prep (clean workroom) for efficiency in exhibit prep functions. The size of this room is appropriate.
- **Travelling Exhibit Storage:** Access from this space should be via the secure corridor as this room will hold collections awaiting staging or shipment. The size of this room is appropriate.
- **Photography:** We assume this room is for photographing collections as part of digitization process. We recommend that the size be increased slightly to 600 sf to accommodate larger items or flexible future activities.
- **Archeology Lab:** While we are unsure of the activities in this room, we suggest the location next to the wood shop may not be appropriate. We recommend a location adjacent to the Processing / Conservation room, as these programs may have operational synergies. The size of this room is appropriate.
- **Collection Storage:** Lord is not able to comment on right-sizing of the various collection storage spaces as it has not conducted a collection quantification exercise. Nevertheless, the distribution and separation of the various storage rooms seems appropriate. Equally the sizing of these spaces appears of enough size and shape to allow for efficient collection storage systems. Lord also notes that access to the collection storage areas is via a secure corridor, which we assume has limited access via security control measures. As all the

spaces above will hold collections, they must meet the requirements of Curators, Conservators and Lenders for lighting, finishes, communications systems, environmental conditions and security for artefacts, specimens and work of art.

- **Visible Storage, Research and Education:** Feedback during the assumptions workshop indicated a desire for combined scholarship and curation through the creation of a collection research study (archives viewing) room, along with visible storage for collection research.

It is recommended that this room be in the basement level with direct access to the collections. This room may also include some form of visible storage or research collection storage as part of the research component. As collections will be present, this room will need security and environmental protocols established.

This area may also include some level of public access to the basement collections area as visible storage and behind the scenes tours to increase spaces available to visitors.

- **Engagement Room (Level 2):** We question the function of this room and its location. It was understood to potentially be used as a collections research or viewing room. If this is the case, we recommend that this room be in the basement for security and access reasons. As this room will hold collections, potentially for extended lengths, it will also require museum-level environmental controls.
- **Administrative:** We have no comment on the office spaces and assume these meet applicable State standards. We also concur with the location of some museum staff spaces in the lower level (curatorial, exhibitions etc.) for functional reasons. However, we recommend that senior museum leadership roles be located on upper levels.

4.4 CAPITAL INVESTMENT

The Museum of Utah is to be part of a larger North Building currently budgeted at \$165 million. The key issue for the purposes of operations/business planning and projections is the extent of the investment in the exhibitions/visitor experience. In general, a greater level of investment in contemporary interactive and immerse experiences and use of multimedia will lead to higher levels of attendance and earned income but also higher staffing and building occupancy costs.

- It is assumed that there will be an allocation of \$710 per net square foot of exhibition space.
- Given the assumption that visitors will be encouraged to attend both the Museum of Utah and the Capitol, it is recommended that there also be investment to upgrade some of the exhibitions in the Capitol, including the Visitor Center and Fourth Floor, as discussed further below. However, capital funds have not been set aside for this purpose to date.

4.5 VISITOR EXPERIENCE

The PRD Group has been retained to develop the interpretive plan for the Museum of Utah. At this point in the planning process, the assumptions associated with the visitor experience in the Museum of Utah have not been finalized, and suggestions emerging from the business plan and the experience of Lord Cultural Resources are being sought to be approved, modified or rejected by PRD and the Business Planning Committee.

The most important factor is the quality of the visitor experience offered in that space, emphasizing the need for investment in more interactive and immersive experiences to appeal to wider market segments than generally offered in older history museums.

That is, great quality can overcome limited quantity and also help to justify potential implementation of partial admission charges.

Our recommendations are as follows:

- **Integrate the visitor experience of the Capitol and the Museum:** The ground floor of the Capitol building includes dioramas of state history. The Capitol also features a 1,000 square foot Visitor Center. This study recommends that in addition to investment in the Museum of Utah funds should be allocated to enhance the visitor experience of the Visitor Center in the Capitol, and that it be differentiated in content from what is presented in the Museum. The already planned “hub and spoke” concept for a Museum about the entire state of Utah may begin with encouraging more people to attend the Capitol, and vice versa, and by enhancing the exhibits offered on the main floor and the 4th floor of the Capitol. Interviews and the workshops included comments from several persons that the Capitol is intimidating for some people, despite its current and continued free admission, and that attending a Museum of Utah offering great visitor experiences can help to reduce that intimidation factor, especially if visitors are encouraged to attend both buildings as part of their visit.
- **Offer substantial hands-on opportunities focused on children:** This has been planned and will help to increase attendance by the young family market and school groups younger than Grade 4. Ideally, this would include a small children’s gallery, as found successfully in other state history museums discussed in Chapter 2 in cities that also have children’s museums. However, it is likely impractical given the space limitations of exhibition space in the facility. In any event, a focus on children helps to recognize that Utah has the highest percentage of children in the nation and large numbers of children per family. Many adults are motivated to attend museums based on perceived interest to their children or grandchildren. In addition to exhibits of strong appeal to children, museums often offer free admission to children when adults are charged and implement Saturday morning programs for families.
- **Integrate Utah art with the history rather than a separate art gallery.** (The current program eliminates the separate art gallery.)
- **Consider whether the building design could include images on the exterior façade of the Museum facing the Capitol.** Interviews included comments seeking a distinct architecture for the museum. However, it is also understood this is not practical given the need to have the architecture relate to the Capitol vernacular, and also given the reality of a 4-storey building in which the museum largely occupies only one floor. In that context, we recommend considering video projections on the exterior of the windowless museum spaces (heritage scenes, works of art, films etc.) might be shown. Doing so would help to convey that the Museum of Utah is an open and welcoming place and create opportunities to animate the plaza as a place for public gatherings.

4.6 OPERATIONS AND REVENUE GENERATION

4.6.1 OPERATING SCHEDULE

The recommended operating schedule for the Museum of Utah takes into account the following factors:

- **Sundays:** The Capitol is open every day, including Sundays, from 10 a.m. to 7 p.m. with tours offered on weekdays from 8 a.m. to 4 p.m.

Elsewhere in the country Sunday is usually a peak attendance day for families but not in Utah given the very substantial LDS population that chooses not to do anything out of the home that day. However, as shown in Chapter 2, an increasing number of the museums in Salt Lake offer regular hours on Sundays to recognize the substantial and growing non-LDS population and tourists. Others open Sundays only in the afternoon. *Opening Sunday afternoons from noon to 5 p.m. is our recommendation for the Museum of Utah.*

- **Evening Openings:** Some museums open once per week during evening hours. This requires staff and other operating costs that might not be justifiable depending on the number of people who attend, particularly at a location that is not downtown and near restaurant or retail opportunities to allow for combined visits. The Museum of Utah will not be downtown and therefore less practical for a weekly evening opening. This study recommends a *once per month evening opening*, to be expanded or eliminated based on market demand.

- **Open Days:** It is common for museums to open to the public either six or seven days per week. Although the Capitol is open seven days, we recommend *closing to the public on Mondays to be a day in which exhibition and other changes are implemented without the need to pay overtime.*

- **Summary of Recommended Open Hours:**

Tuesday – Saturday: 10 a.m. to 5 p.m. with exclusive school use starting at 9 a.m. One evening opening per month to 9 p.m.

Sunday: Noon to 5 p.m.

Monday: Closed to public

4.6.2 ADMISSIONS AND TICKETING

This study will include projections of attendance, operating revenues and expenses in two scenarios. The first is free admission to all visitors, the second scenario is partially charged, with free admission to all school groups and all children 12 and under. In both cases no distinction is recommended for visitors from within or outside Utah requiring the showing of IDs.

Although two scenarios related to admission charges will be presented in Chapter 5 we recommend the partially charged admission scenario for the following reasons:

- There is a trend to more charged admission state history museums across the country. Today there are 30 of 48 compared to 26 four years ago.
- Whether free admission or partially charged, the Museum of Utah will need to be heavily subsidized by the state, as is the case with all state history museums. Free admission for

- the Museum of Utah would be unfair competition for the large majority of museums in Salt Lake and elsewhere in the state that do not have an option of free admission.
- Partially charged admission helps with security and avoids over-crowding during peak periods.
 - Charged admission establishes a value to the Museum of Utah.
 - There are opportunities to provide free admission to those who really need it, as discussed further below.
 - Recommended admission charges for the opening are relatively modest as follows.
 - Adult (25-61): \$10.00
 - Senior (62+): \$9.00
 - Youth: (13-24): \$8.00
 - Child (under 13): Free
 - School Groups: Free
 - Non-School Groups: \$7.00
 - A family admission price is not recommended because children are assumed to receive free admission and because of challenges in defining what is and is not a family among visitors.
 - Recognizing that school groups attend primarily during weekday mornings and depart by 1:30 p.m., ***we recommend half priced admission from 2-5 p.m. on weekdays during the school year.*** Seniors will be most likely attracted by this opportunity. Sponsorship should be sought as well.
 - ***In the partially charged admission scenario, free admission will be provided to those in financial need by distribution of free admission tickets.*** These should be identical to other admission tickets, to be distributed by social service agencies, religious institutions and schools. This is a preferred method to widen access than free admission periods that train often middle class people to wait for the free admission periods and avoids the stigma faced by some persons in lower income categories about attending on a free admission day.

4.6.3 OTHER REVENUE GENERATION

As is the case with all state history museums, the Utah state government will be the primary funder of the operating costs of the Museum of Utah. However, there are opportunities for revenue generation whether or not free admission is provided to all visitors. Other recommended sources of earned and contributed income are as follows:

- **Retail:** The retail store is currently assumed to be in a separate space and offer 835 sq. ft. of public space. Although modest the ***space could be further reduced to about 500 sq. ft. if integrated with admissions/information in the central Point of Sales space.*** This should allow the same staff to handle admissions, information and membership inquiries during slower periods, thereby helping to control staff costs. It also recognizes that museum retail has been getting smaller as people are increasingly making purchases online. Food and beverage options are currently being considered for the overall Capitol Complex. One option within the retail store could be limited grab and go food and beverage opportunities in a cooler for pre-packaged sandwiches, desserts and cold drinks and a machine for hot beverages.

- **Public and Educational Programs:** It is assumed that priority access to the Conference Center will rest with the Capitol Preservation Board but that there will be periodic opportunities for Museum access for lectures, and films and other public and educational programs that will be primarily free to the public whether or not there is partial charged admission. However, some programs within the Museum or using outdoor spaces will have fixed charges including summer and holiday camps for children and other registered programs, leading to modest revenues.
- **Membership:** Whether or not there is charged admission, *a lower level and upper level membership program is recommended*. If admission is charged the benefits will include unlimited free admission in addition to discounts on the gift shop and charged public programs. However, membership in state museums is much less about receiving value for money spent and more about supporting the mission of the museums and pride in the state and city. Upper level membership categories are recommended to include guest passes in the charged admission scenario which may either be retained by the member or turned back to the museum to be distributed to those in need. Tax receipts would be provided to those who do so. Two-year memberships are also recommended to lower the cost of renewals.
- **Other Revenue Sources:** These might include interactive donation boxes that respond mechanically to the placement of money in the box and tap to donate opportunities, especially in the free admission scenario, and other sources to be developed by management at the time.
- **Menu of Sponsorship Opportunities:** To further emphasize the need for financial support beyond the state of Utah, it is assumed that the Museum will develop a menu of sponsorship opportunities to encourage donations. Sponsorships could range from support for free or discounted admissions, to outreach, specific spaces or programs.
- **Endowment:** Although desirable, no endowment to support operating costs from private sources is assumed during the period projected in this study.
- **Outreach:** It is assumed that outreach initiatives to help achieve the statewide mandate of the Museum of Utah will be a cost to the Museum and not charged to those who benefit from it. There would be no charge for outreach to the schools, for distance learning online or other digital initiatives, and no charge for traveling exhibitions from the Museum to other museums, public libraries and community centers throughout the state. It would be an ideally sponsored cost to the Museum.

4.7 GOVERNANCE, STAFFING AND VOLUNTEERS

- **Governance:** It is assumed that the Museum of Utah will be an agency of the Utah Department of Heritage and the Arts, supported by a not-for-profit 501 (c) 3 Foundation able to issue tax receipts for donations.
- **Staffing and Volunteers:** The Museum will seek to develop a balance between the need for a professional and skilled staff to fulfill its mission and recognition that controlling staff costs is just as important as attendance and earned income to ongoing sustainability. The following table builds upon existing staffing levels within the Department plus additional positions identified by the Department and reflects some modifications and clarifications recommended by Lord Cultural Resources. It assumes that maintenance, janitorial and



security needs will be a central service to the overall building that will also be provided to the Museum.

- Charged admission will require some additional staff resources associated with the collection of admissions, processing, and other needs. We have added 1.5 additional full-time equivalent positions to the partially charged admission scenario relative to the scenario in which free admission is available to everyone. The table below indicates **34 full-time equivalent (FTE) positions in the free admission scenario and 35.5 FTE if partially charged**. In both scenarios the staffing plan assumes a Foundation Director and assistant. This staffing level is in the same general range as most other state history museums discussed in Chapter 2.
- Utah is well-known for its strong level of volunteerism. Utah is ranked as highest in the nation for the rate of volunteering by the Corporation for National and Community Service. It is assumed that the Museum of Utah will have **substantial support from volunteers**.

The following table sets out the assumed staff positions for the Museum of Utah. Existing staff of the Utah Department of Cultural & Community Engagement are shaded in the table.

Assumed Staffing for Museum of Utah	Full-Time Equivalent (FTE) if Free Admission	FTE if Partially Charged Admission
Director	1.0	1.0
Assistant Director	1.0	1.0
Administrative Assistant	1.0	1.0
Program Manager - Exhibits	1.0	1.0
Program Specialist - Exhibits	2.0	2.0
Program Manager - Education	1.0	1.0
Program Specialist - Education	2.0	2.0
Program Manager - Volunteers	1.0	1.0
Program Manager - Gift Shop	1.0	1.0
Program Manager - Events	1.0	1.0
Program Director - Collections/Exhibitions	1.0	1.0
Program Manager - Marketing/Development	1.0	1.0
Program Specialist - Marketing/Development	1.0	1.0
Program Manager - Collections - History	1.0	1.0
Program Manager - Collections - Art	1.0	1.0
Program Specialist - Collections - Library	1.0	1.0
Program Specialist - Collections - Digitization	1.0	1.0
Program Specialist - Collections - Artifacts	1.0	1.0
Program Specialist - Collections - Manuscripts	1.0	1.0
Program Specialist - Collections - Registrar	1.0	1.0
Program Specialist - Traveling Exhibits	1.0	1.0
Program Specialists - Collections (part-time)	1.0	1.0
Program Specialists - Outreach Coordinators	2.0	2.0
Program Specialists - Floor/Education Staff	2.5	2.5
Program Specialists - Admissions/ Information/ Membership/Retail	2.0	3.5
Program Specialists - Weekend Allocation	1.5	1.5
Program Manager - Foundation Director	1.0	1.0
Program Specialist - Foundation Assistant	1.0	1.0
Total Assumed Staff	34.0	35.5
Note: Shaded above are existing Department staff		

4.8 BRANDING AND MARKETING

- The name/brand, *Museum of Utah* is assumed to be in place at opening, with no modification associated with naming rights to any major donor. Rather naming rights will be applied to exhibition galleries and other spaces within the Museum.
- Marketing funds will be in place to help boost attendance levels, to include an *emphasis on social media and the web*.
- *Free parking* for the Museum of Utah will be marketed.

- *Although subject to final design, it would be a good marketing tool to implement images on the exterior façade of the Museum facing the Capitol.* These could include video projections on the exterior of the windowless museum spaces (heritage scenes, works of art, films etc.). Doing so, along with banners, would help to convey that the Museum of Utah is an open and welcoming place and create opportunities to animate the plaza as a place for public gatherings.

4.9 OTHER ASSUMPTIONS

- If there is any debt associated with the new facility, the Museum will *not be responsible for any annual outlay for debt service* as part of its operating costs.
- We assume that a *reserve for exhibition replacement* be implemented as part of the operating budget of the Museum from the opening year to build up a fund for exhibition replacement to be used starting no earlier than Year 3.
- All revenue and expense projections will be stated in year 2020 constant dollars; thus, a specific inflation factor is not included in our estimates. However, some revenues and expenses tend to increase at a higher rate than the prevailing rate of inflation. For example, staff compensation levels will be projected to grow on an annual basis by 0.5% above whatever the inflation rate is each year.

It must be noted that financial projections are subject to the inherent uncertainties of the future. There is no representation that the projections will be realized in whole or in part. However, taking the assumptions into account and based on the scope of our work, we believe that the projections in the next chapter of this report are reasonable.

5. ATTENDANCE, OPERATING REVENUE AND EXPENSE PROJECTIONS

This chapter sets out our projections of attendance, operating revenues, and expenses for the opening three years of operation of the Museum of Utah. The projections are in two scenarios. The first assumes that there will be free admission for all visitors, while the second scenario assumes partially charged admission. In particular, partially charged assumes charged admission for adults and some other visitor categories but free admission for children and school groups.

The projections are based on the Contextual and Comparables Analyses in Chapter 2 and the Analysis of Potential Markets in Chapter 3, as well as the Recommendations/ Assumptions in Chapter 4 and the judgment and experience of the consultants. All financial projections are in 2020 constant dollars, which means the figures are assumed to change at whatever the prevailing rate of inflation is. Without certainly when the Museum will open, the projections refer to Year 1, 2 and 3 with Year 3 a stabilized year that is representative of subsequent years of operation.

5.1 ON-SITE ATTENDANCE PROJECTIONS

To prepare attendance projections first requires a reasonable definition of who would or would not be defined as a visitor. For the purposes of this analysis a visitor is someone who attends an exhibition or program at the Museum of Utah. Persons who enter only to use the retail store are not included and neither are staff and volunteers, service and delivery people. While outreach and access through a web site are important, the attendance projections do not include outreach programs or web site hits/visits.

In addition to the impact of free and partially charged admission scenarios, important considerations in preparing the attendance projections are as follows:

- There is no simple computer formula that leads to accurate attendance projections because motivations to be first time and repeat visitors depend on the visitor experience, visitor service, perceived value for time and money, and other factors. Ratios and formulas have been used based on the experience of comparable or similar institutions. While each has weaknesses, the ratios help to inform our judgment and experience.
- The experience of comparable institutions is central to attendance projections but there is rarely exact comparability. In the case of the Museum of Utah, the most useful benchmarks are from other state history museums, both free and charged, and from other museums in or near Salt Lake City.
- In utilizing data from other museums there are a variety of definitions of what constitutes a visitor and no complete certainty that the comparative attendance figures reported are accurate.

5.1.1 BENCHMARKS

Although each has its weaknesses, a variety of methodologies are used to establish benchmarks to inform our judgment regarding the likely levels of attendance at the Museum of Utah during the opening three years of operation in each of the two admission charge scenarios projected.

To take those weaknesses inherent in the ratios and formulas into account, Section 5.1.2 offers our judgment regarding the impact on attendance of a variety of key largely qualitative factors as well as consideration of resident, school and tourist markets for Salt Lake City.

The benchmarks used to help inform attendance projections for a stabilized year of operation (Year 3) are as follows for both scenarios:

Based on Attendance at All State History Museums

Chapter 2.2.1 includes data regarding 48 existing state history museums, segmented by those offering free admission to all visitors (18) and those offering at least some charged admission to the permanent exhibitions (30). As noted there has been a trend to more charged admission state history museums.

Median attendance figures have been used as the benchmark for the purposes of these projections to eliminate the impact of a few very large, high attendance museums, including eliminating those whose attendance includes IMAX visitors. That leads to an attendance estimate of **139,000 for free admission museums and 65,000 for charged admission state history museums**. It must be noted, however, that there is a greater tendency for attendance levels at free admission museums to be exaggerated higher with use of infrared counters and other inaccurate estimates. This factor will be taken into account later in this section when largely qualitative issues are also considered.

Based on Attendance at Five Selected Comparable State History Museums

Details regarding the five state museums selected as somewhat comparable to the Museum of Utah are set out in Chapter 2.2 of this report. The data allows for two common ratios used to project attendance in both admission charge scenarios. They are based on the square footage of exhibition space and the regional populations of the selected comparables and applied to

the Museum of Utah and Salt Lake City. As four of the five selected are charged admission we have used the median to lead to attendance estimates for the partially charged admission scenario. The Museum of Alabama has been used for the free admission estimate.

- **Extrapolation Based on the Total Size of the Exhibition Space:** The ratio is 2.91 visitors per sq. ft. of exhibition space for the charged admission state museums. Applied to the assumed 16,885 nsf of exhibition space in the Museum of Utah this leads to an attendance estimate of about 49,100. The Alabama example leads to an attendance estimate of 43,400.
- **Extrapolation Based on Population:** The ratio that emerges from visitors per 1,000 Metro/MSA population from the median for the selected charged admission museums is 80.67. This figure leads to an attendance estimate of about 98,600 visitors for the Museum of Utah when applied to the population of the Salt Lake City MSA. The 120.45 ratio from Alabama leads to an estimate of about 147,300 in the free admission scenario.

Averaging the figures from the exhibition space and population methods serves to balance the weaknesses and leads to **95,400 attendance for the free admission to all scenario, and 73,900 in the partially charged scenario.**

Attendance Extrapolation from Selected Comparable State History Museums						
	Reported Attendance	Adult Admission Charge	Estimated Size of Exhibition Space (nsf)	Visitors per NSF of Exhibition Space	2018 Metro Population	Visitors per 1000 Metro Population
Free Admission						
Museum of Alabama, Montgomery	45,000	\$0.00	17,500	2.57	373,589	120.45
Charged Admission						
Idaho State Museum, Boise	50,000	\$10.00	13,800	3.62	730,426	68.45
Museum of Mississippi History, Jackson	46,800	\$10.00	25,000	1.87	580,166	80.67
New Mexico History Museum, Santa Fe	131,500	\$7- state residents, \$12 - tourists	32,000	4.11	144,170	912.12
Washington State History Museum, Tacoma	83,000	\$14.00	37,825	2.19	3,935,179	21.09
Average for Charged	77,825		27,156	2.95	1,347,485	240.56
Median for Charged	66,500		28,500	2.91	655,296	80.67
Assumptions for Museum of Utah			16,885		1,222,540	

Based on Attendance at Existing Museums in Salt Lake City
Data in Chapter 2.3 regarding other museums in Salt Lake City offer additional benchmarks. Since they are in the same city, the population ratio is not applicable and so we have used only the ratio of visitors per sq. ft. exhibition space. The most relevant for the purposes of attendance projections are the charged admission Natural History Museum of Utah, the Discovery Gateway Children's Museum, and the Utah Museum of Fine Art. There are no relevant examples of free admission museums as the 250,000 visitors reported by the LDS Church Museum in only 6,000 nsf of exhibition space is skewed by the five million visitors to Temple Square.

The average ratio for the charged admission admissions is 5.09. Applied to 16,885 net square feet of exhibition space in the Museum of Utah leads to an attendance estimate of about 85,900.

Attendance Extrapolation from Other Museums in Salt Lake City				
	Reported Attendance	Adult Admission Charge	Size of Exhibition Space (nsf)	Visitors per NSF of Exhibition Space
Free Admission				
LDS Church History Museum	250,000	\$0.00	6,000	41.67
Charged Admission				
Natural History Museum of Utah	290,000	\$14.95	45,000	6.44
Utah Museum of Fine Art	100,000	\$12.95	24,000	4.17
Discovery Gallery	280,000	\$12.50	60,000	4.67
Average	223,333	\$13.47	43,000	5.09

Averaging the Methods

As stated, all of these methods used have weaknesses but are nonetheless helpful in establishing benchmarks. As shown on the following table, *averaging the methods leads to an attendance figure of about 117,200 visitors in the stabilized Year 3 of the free admission scenario and 74,900 assuming the partially charged admission scenario*. These figures are in a reasonable range.

Averaging the Methods	Free	Charged
Attendance at all State History Museums	139,000	65,000
Attendance at all Selected Comparables	95,400	73,900
Attendance at Museums in Salt Lake City	N/A	85,900
Average	117,200	74,933

The estimates have been modified to take into account our judgment of the following qualitative factors.

5.1.2 JUDGMENT REGARDING IMPACT OF VARIOUS FACTORS ON ATTENDANCE

The quantitative methods above suggest stabilized (Year 3) attendance in the free admission scenario of about 117,200 with about 74,900 visitors estimated for the partially charged scenario. Other largely qualitative factors set out in earlier chapters help to refine the analysis. Key factors set out here point to higher or lower stabilized attendance in one or both scenarios than indicated from the ratios above:

- **Accuracy of Reported Attendance Levels:** The attendance figures reported by the various museums served as the basis for the ratios. When admission is charged the figures are far more likely to be accurate. When free, the visitor counts are often based on infrared counters that include people entering and exiting more than once as well as non-museum visitors. This suggests lower attendance in the free admission scenario.
- **Site Factors:** There are both negative and positive factors. Negative is that the State Capitol Complex is not located downtown and not within walking distance of hotels, restaurants and other traffic generators. The Museum must therefore be a primarily destination attraction as opposed to an impulse visit attraction. Limited public transportation and intimidation experienced by some regarding attending the Capitol are also negative. Positive is that there are an estimated 200,000 persons per year who

attend the Capitol for business or to tour the facilities of the Capitol Preservation Board and that there is free parking available for much of the time. On balance, these factors suggest somewhat lower attendance in both scenarios, especially when there is partially charged admission.

- **Visitor Experience Factors:** Positive in both scenarios is an assumption that \$710 per sq. ft. will be allocated to exhibition space and also an adequate level of interactivity to widen appeal to children.
- **Market Factors:** The resident, school and tourist markets for Salt Lake are projected to continue growing at a substantial pace. This is positive for attendance.
- **Admission Charge Factors:** The partially charged scenario assumes free admission for children, eliminating the need for a family rate, as well as free admission for all school groups, half-priced admission on weekday afternoons, and free admission for those in financial need. All of these practices will serve to increase attendance levels in the charged admission scenario from what might otherwise be the case if all visitors were charged. Moreover, there are some who believe charged admission denotes value whereas free admission does not.
- **Competitive Factors:** Positive is that there is no similar museum in the state.

Taking these points into account it is our judgment that, on balance, on-site attendance levels will be slightly lower in both scenarios than suggested by the ratios above. ***In the stabilized Year 3, we estimate a rounded 105,000 visitors when admission is free to all and 70,000 in the partially charged scenario.***

In considering attendance in the opening two years, as is common Year 1 will be higher in both cases, especially when admission is free to all. We estimate Year 1 will be about 20% higher in both scenarios. Year 2 attendance will be closer to Year 3 and leads to the following final projected attendance levels.

Final Attendance Projections	Year 1	Year 2	Year 3
Free Admission Scenario	125,000	110,000	105,000
Partially Charged Scenario	85,000	75,000	70,000

5.1.3 PROJECTED ON-SITE ATTENDANCE BY MAIN SEGMENTS

The table below summarizes our estimates of total on-site attendance on weekdays and weekends, helping to lead to design day projections and projected attendance by both main market segment. The table also provides estimates by ticket category, including those who attend rentals and programs as part of an indirect paid category. The projections are also based on the following estimates and assumptions.

- **Attendance by Weekdays and Weekend Days:** It is common for weekend days to account for about half of all visitors. We estimate that weekend attendance will be at 40% in the Museum of Utah in both scenarios because of school group visits and legislative business also during the week.



- **Design Day Calculation:** The Design Day (not peak attendance) calculation is of a higher than average weekend day in a higher than average attendance month. We estimate attendance levels during such a weekend day at 10% higher than average in both scenarios. This figure is used by architects to calculate how many people will be in the building at one time, which we estimate at about 30% assuming partially charged admission and 25% if free admission. (Free admission visitors will spend less time in the Museum and be more likely to return.)
- **Attendance by Main Resident and Tourist Segments:** Residents will account for the large majority of visitors, as is common, especially in the free admission scenario. Tourist attendance should increase over time.
- **Attendance by Ticket Category:** This estimate is most relevant to the partially charged admission scenario that assumes free admission for all children (12 and under) and school groups. However, estimates by category are provided as well when admission is free to all. Most visitors will be adults. There will also be substantial indirect paid (rentals, programs, members) visitors and other unpaid in addition to free children and school groups.

The attendance projections are summarized in the following table and applied to both scenarios. The admissions and other visitor-generated revenue categories that follow build upon these attendance estimates.

Attendance Projections (rounded)	Free Admission	Partially Charged	Free Admission Scenario			Partially Charged Scenario		
			Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
Projected Total Attendance			125,000	110,000	105,000	85,000	75,000	70,000
Attendance by Weekday/Weekend								
Weekdays	60%	60%	75,000	66,000	63,000	51,000	45,000	42,000
Weekends	40%	40%	50,000	44,000	42,000	34,000	30,000	28,000
Total			125,000	110,000	105,000	85,000	75,000	70,000
Design Day Calculation								
Total Projected Attendance			125,000	110,000	105,000	85,000	75,000	70,000
Total Weekend day Attendance			50,000	44,000	42,000	34,000	30,000	28,000
Average Weekend day Attendance			481	423	404	327	288	269
Weekend day Attendance in Higher Attendance Month (10% above average)			529	465	444	360	317	296
Maximum Number of People in Museum at One Time	25%	30%	132	116	111	108	95	89
Attendance by Main Segment								
Residents (within 50 miles of Salt Lake)	75%	65%	93,750	82,500	78,750	55,250	48,750	45,500
Tourists	25%	35%	31,250	27,500	26,250	29,750	26,250	24,500
Total	100%	100%	125,000	110,000	105,000	85,000	75,000	70,000
Attendance by Ticket Category								
Adult (25-61)	35%	32%	43,750	38,500	36,750	27,200	24,000	22,400
Senior (62+)	15%	12%	18,750	16,500	15,750	10,200	9,000	8,400
Youth (13-24)	10%	8%	12,500	11,000	10,500	6,800	6,000	5,600
Non-School Groups	5%	3%	6,250	5,500	5,250	2,550	2,250	2,100
Child (0-12)	10%	10%	12,500	11,000	10,500	8,500	7,500	7,000
School Groups	15%	20%	18,750	16,500	15,750	17,000	15,000	14,000
Indirect Paid (Rentals, Members, Programs), Other Free	10%	15%	12,500	11,000	10,500	12,750	11,250	10,500
Total Attendance	100%	100%	125,000	110,000	105,000	85,000	75,000	70,000

5.2 Projected Operating Revenues

This section sets out our projections of operating revenues during the opening three years of operation, assuming that Year 3 is the stabilized year and generally applicable to subsequent years. The projections are for both scenarios in the following revenue categories:

- Admissions
- Retail Sales
- Membership
- Public and Educational Programs
- Other Earned Income

The bottom line of the projections is of operating expenses minus earned income to leave the amount required each year to break even on operations from government and private funders. Most operating funds will be needed from the State of Utah, as is common at all state history museums.

5.2.1 ADMISSIONS

If free admission is offered to all visitors there would be no admissions revenue generated. If charged admission, the following table provides our estimates by applying projected attendance in each ticket category to the assumed admission charges. We estimate that discounts offered in collaboration with other museums, hotels, AAA and other partners will help to increase attendance levels but result in a reduction in admissions revenue of 5% per year.

These estimates lead to the following projections for the **charged admission scenario**.

Ticket Categories	Admission Charge	Year 1 Attendance	Year 1 Revenue	Year 2 Attendance	Year 2 Revenue	Year 3 Attendance	Year 3 Revenue
Adult (25-61)	\$10.00	27,200	\$272,000	24,000	\$240,000	22,400	\$224,000
Senior (62+)	\$9.00	10,200	\$91,800	9,000	\$81,000	8,400	\$75,600
Youth (13-24)	\$8.00	6,800	\$54,400	6,000	\$48,000	5,600	\$44,800
Non-School Groups (person)	\$7.00	2,550	\$17,850	2,250	\$15,750	2,100	\$14,700
Child (0-12)	\$0.00	8,500	\$0	7,500	\$0	7,000	\$0
School Groups (person)	\$0.00	17,000	\$0	15,000	\$0	14,000	\$0
Indirect Paid/Other Unpaid	\$0.00	12,750	\$0	11,250	\$0	10,500	\$0
Sub-Total		85,000	\$436,050	75,000	\$384,750	70,000	\$359,100
Total (after discounts)			\$414,248		\$365,513		\$341,145

5.2.2 RETAIL SALES

It has been assumed that the Museum of Utah will include 835 nsf of public retail space, physically linked to information and admissions, if applicable, to enable staffing efficiencies. The store will also offer limited grab and go food and beverage opportunities. The relatively small space is appropriate given a trend to smaller retail facilities with on-line sales and competition from Amazon and other competitors.

Taking the foregoing into account, as well as data from the Museum Retail Association, we estimate on-site retail sales per visitor will be about \$1.25 in Year 1 in the charged admission scenario and \$1.10 with free admission if more people enter the Museum with less interest in the content and the store. Sales in both cases will increase somewhat each year on the basis of assumed greater market and product knowledge by management over time balanced against the reality that purchases are most likely made on the initial visit.

The assumptions and estimates above lead to the following retail sales projections. (Costs of goods sold are included with the expense projections while staffing and other overhead costs are included with those expense projections later in this chapter.)

	Free Admission Scenario			Partially Charged Scenario		
Retail Sales (835 nsf public space)	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
Total Attendance	125,000	110,000	105,000	85,000	75,000	70,000
Sales per Visitor	\$1.10	\$1.15	\$1.20	\$1.25	\$1.30	\$1.35
Total Retail Sales	\$137,500	\$126,500	\$126,000	\$106,250	\$97,500	\$94,500
On-Site Sales per Sq. Ft.	\$165	\$151	\$151	\$127	\$117	\$113

5.2.3 MEMBERSHIP

As discussed in Chapter 2, membership is common among state history museums, even those that offer free admission to all visitors. Average and median membership charges are higher for the charged admission state history museums, and that has been reflected in the estimates that follow.

Chapter 4.6 includes recommendations associated with the membership program, including both lower level categories (individual, family, etc.), motivated largely by value for money, and upper level categories, motivated very much by altruism and pride. Our projections of the number of memberships and membership revenues per membership assume that there will be more lower level memberships in the context of charged admission and more upper level memberships in support of the free admission offered.

With respect to changes in the number of lower memberships each year, we estimate that they will mirror attendance patterns, with the highest membership in the opening year in both scenarios. Upper level memberships will grow over time.

	Free Admission Scenario			Partially Charged Scenario		
Membership	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
Lower Level						
Total Memberships	350	310	300	600	550	540
Average Membership Charge	\$50	\$52	\$55	\$75	\$78	\$80
Lower Level Revenue	\$17,500	\$16,120	\$16,500	\$45,000	\$42,900	\$43,200
Upper Level						
Total Memberships	60	65	70	40	42	45
Average Membership Charge	\$400	\$405	\$410	\$350	\$355	\$360
Upper Level Revenue	\$24,000	\$26,325	\$28,700	\$14,000	\$14,910	\$16,200
Total Revenue	\$41,500	\$42,445	\$45,200	\$59,000	\$57,810	\$59,400

5.2.4 PUBLIC AND EDUCATIONAL PROGRAMS

Most public and educational programs will be free or free with admission. Access to the conference center/auditorium to be operated by the Capitol Preservation Board will be limited but could include periodic charged films, lectures, and other charged programs. Most will likely be free. Opportunities for charged public and educational programs might include, summer camps, behind the scenes tours and other opportunities developed by management.

Revenues may vary widely but are likely to be modest given space-related issues and are estimated as follows. We assume some growth over time as management learns more about market preferences. Somewhat more revenue is estimated in the free admission scenario because of exposure to programming opportunities by more people in the Museum.

	Free Admission Scenario			Partially Charged Scenario		
Public and Educational Programs	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
Total Revenue	\$15,000	\$18,000	\$20,000	\$12,000	\$14,000	\$15,000

5.2.5 OTHER INCOME

Other sources of income could include interactive donation boxes, with a tap to donate feature, pay for photo opportunities based on costume rental, and other opportunities that might be developed by management at the time. Revenues will be modest and have been estimated as follows, with more income in the free admission scenario to reflect higher attendance and support for the free admission.

	Free Admission Scenario			Partially Charged Scenario		
Other Earned Income	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
Total Revenue	\$8,000	\$9,000	\$10,000	\$6,000	\$7,000	\$8,000

5.3 PROJECTED OPERATING EXPENSES

The categories of operating expenses projected for the Museum of Utah are:

- Salaries, Wages and Benefits
- Building Occupancy Costs
- Exhibitions Costs
- Public and Educational Programs
- General and Administrative
- Marketing
- Retail Cost of Goods Sold

5.3.1 SALARIES, WAGES AND BENEFITS

It is almost always the case that the largest operating cost of any museum-related institution is staffing, generally accounting for 45-60% of the total operating budget, with museums having collections care responsibility generally allocating a higher percentage of operating costs to staffing costs. As a collecting institution this will be the case for the Museum of Utah. In the charged admission scenario, staffing levels will be slightly higher to account for collection of admissions tickets and processing of the funds. However, costs for security, assumed to be absorbed by the overall government building, will be higher with free admission.

The staffing list assumed for the Museum of Utah is set out in Chapter 4.7, including 34 full-time equivalent (FTE) positions in the free admission scenario and 35.5 FTE if partially charged. Due to issues of confidentiality, this report does not provide salaries for individual positions. Rather a total salary figure is provided plus overall benefits at 50% of the salaries and wages. Although the projections are in constant 2020 dollars it is assumed that, on average, salaries and wages will increase at 0.5% above whatever the prevailing rate of inflation is each year. In addition, an increment of 1.5% has been applied to reflect the time period from base level 2020 salaries until the opening of the Museum.

These estimates and assumptions lead to the following projections.

	Free Admission Scenario			Partially Charged Scenario		
Staffing Costs	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
2020 Salaries and Wages	\$ 2,242,800	\$ 2,242,800	\$ 2,242,800	\$2,332,800	\$2,332,800	\$2,332,800
Adjustment to Opening (1.5%)	\$ 2,276,442	\$ 2,276,442	\$ 2,276,442	\$2,367,792	\$2,367,792	\$2,367,792
Increases above Inflation (0.5%)	\$ 2,276,442	\$ 2,287,824	\$ 2,299,263	\$2,367,792	\$2,379,631	\$2,391,529
Benefits (@ 50%)	\$1,138,221	\$1,143,912	\$1,149,632	\$1,183,896	\$1,189,815	\$1,195,765
Total Staffing Costs	\$3,414,663	\$3,431,736	\$3,448,895	\$3,551,688	\$3,569,446	\$3,587,294

5.3.2 BUILDING OCCUPANCY COSTS

Occupancy costs are generally defined to include all costs, excluding salaries, associated with building repairs and maintenance, utilities, security systems and building insurance. These costs may be calculated on the basis of the gross square footage of the building. The gross square footage takes into account circulation, mechanical, electrical spaces as well as wall thicknesses. In the case of the Museum of Utah, it will occupy the lower floors of a building also other by other state employees. The gross square footage allocated to the Museum is 77,595 gross square feet.

Occupancy costs vary by the extent of the environmental controls required, the weather conditions, the extent of public use, and the condition of the building, with a new building requiring lower maintenance and utilities costs. On average, cumulative occupancy costs for museums generally are in the range of \$6.00 to \$9.00 per gross square foot, with lower costs experienced by new, energy efficient buildings. Utilities costs (electricity, gas, water) represent the highest cost and remain fairly stable, in constant dollars, subject to variations in energy prices that cannot be predicted. Repairs and maintenance costs increase over time. The costs associated with security systems are relatively minor and, for the purposes of these projections, are grouped with repairs and maintenance. Since government owned buildings are self-insured no allocation is made for insurance.

In considering the admission charge scenarios, higher attendance in the free admission scenario will require somewhat more repairs and maintenance and use of electricity. This is reflected in the following table in which costs will be lower in the opening year under warranty. These assumptions lead to the following projections.

	Free Admission Scenario			Partially Charged Scenario		
Building Occupancy	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
Total Museum Space (gross sq. ft.)	77,595	77,595	77,595	77,595	77,595	77,595
Utilities Cost per Gross Square Foot	\$4.50	\$4.50	\$4.50	\$4.40	\$4.40	\$4.40
Total Utilities Costs	\$349,178	\$349,178	\$349,178	\$341,418	\$341,418	\$341,418
Repair/Maintenance/Security per GSF	\$1.75	\$2.75	\$3.00	\$1.60	\$2.60	\$2.85
Total Repair/Maintenance/Security Costs	\$135,791	\$213,386	\$232,785	\$124,152	\$201,747	\$221,146
Total Occupancy Costs	\$484,969	\$562,564	\$581,963	\$465,570	\$543,165	\$562,564

5.3.3 EXHIBITION COSTS

Temporary exhibitions for state history museums are largely developed internally because the content relates to the history of their own state. The Museum of Alabama develops all exhibitions internally. Conversely, the Washington State History Museum allocates up to \$75,000 per exhibition, all of which require some connection to the state of Washington. They are primarily traveling exhibitions rented from the Smithsonian Institution and other external sources. Examples include:

- “A New Moon Rises” about the first lunar landing in which content was added focused on Washington’s role in the lunar landing through work at Boeing.
- “Men of Change” focused on African American men who have served as changemakers in American society across various fields, with examples of Washingtonians added. The exhibition is reported to have helped increase attendance among African Americans and was considered a success in community building despite limited overall attendance.
- “Toytopia” was about the history of toys, a few of which were developed in Washington. This was very popular and helped to widen appeal to the young family market and younger school groups. The Museum added a companion exhibit featuring toys from its collection.
- “Gridiron Glory” was developed by the Pro Football Hall of Fame and included a feature on the Seattle Seahawks. It was not as popular as hoped.

The Washington State History Museum has been able to get private sponsorship for some traveling exhibitions. No funding was received for Toytopia, some for Gridiron Glory (from the team), and some for Men of Change.

Even though a largely charged admission museum, the Washington State History Museum has never added a surcharge for any exhibitions. No charges or surcharges have been assumed for the Museum of Utah.

Costs may vary widely depending on the specific temporary exhibitions to be mounted, which cannot be predicted, as well as the size of the space available for exhibitions, which has been assumed as flexible. Our estimates are based on two traveling exhibition per year at a combined \$130,000 in the free admission scenario and \$160,000 when admission charges are applicable. We also estimate \$50,000 per year for non-staff costs for internally developed temporary exhibitions, in either scenario. Less can be spent in the opening year given the novelty and curiosity factors associated with a new museum.

In addition to costs associated with temporary/traveling exhibitions, allocations are required for routine maintenance of the exhibitions as well as a reserve for exhibition replacement. Our estimates are as follows:

- **Routine Maintenance:** These non-staff costs will be limited in the opening year and will increase over time. We estimate the need to allocate \$15,000 by Year 3 in the free admission scenario and \$12,000 when partially charged because fewer visitors and less wear and tear.
- **Reserve for Exhibition Replacement:** Exhibits need to be replaced periodically but are usually kept too long because of the need to raise funds for the replacement. An alternative is to establish a reserve for exhibition replacement at the outset to allow the funds to build up over time. We have assumed such a reserve will be in place, with \$75,000 allocated to it each year, but no funds spent for several years, in the partially

charged scenario, and \$85,0000 per year if free admission to all to reflect greater wear and tear with higher attendance. Some exhibits removed from the Museum of Utah could be made available, without charge, to smaller history or community museums throughout the state.

These assumptions and estimates lead to the following projections.

	Free Admission Scenario			Partially Charged Scenario		
Exhibitions	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
Temporary Exhibitions	\$90,000	\$180,000	\$180,000	\$105,000	\$210,000	\$210,000
Routine Maintenance	\$8,000	\$12,000	\$15,000	\$5,000	\$8,000	\$12,000
Reserve for Exhibition Replacement	\$85,000	\$85,000	\$85,000	\$75,000	\$75,000	\$75,000
Total Costs	\$183,000	\$277,000	\$280,000	\$185,000	\$293,000	\$297,000

5.3.4 PUBLIC AND EDUCATIONAL PROGRAMS

Whether admission is free or partially charged there will be opportunities for some public and educational programs to be charged, while others will be free or free with admission. As set out earlier in this chapter, modest revenues from this source have been projected for the Museum of Utah. Given free public and educational programs and the importance of such programs to the mission and mandate of a museum, such non-staff costs exceed the revenues generated substantially. This is especially the case with museums having statewide mandates.

It is common for costs to exceed the revenues generated by two to three times. Given the statewide mandate, we project that these costs will be triple the estimated revenues. This leads to the following projections.

	Free Admission Scenario			Partially Charged Scenario		
Public and Educational Programs	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
Total Costs	\$45,000	\$54,000	\$60,000	\$36,000	\$42,000	\$45,000

5.3.5 GENERAL AND ADMINISTRATIVE

General and administrative costs exclude staffing and vary by institution but generally include office and related supplies, equipment, mailing, printing, telephone, travel, conferences, volunteer perquisites, professional services, the web site, dues and subscriptions, credit card fees, entertainment, and other items that do not fit into the other expense categories. These costs are often in the range of 10-15% of total operating expenditures.

With a statewide mandate, including the need to support smaller museums with exhibitions and other assistance, the general and administrative costs for the Museum of Utah will likely be higher than common and have been estimated at 16% of projected staffing costs in Year 1 to reflect higher initial purchases and 15% in subsequent years. With higher staffing costs in the partially charged admission scenario this leads to slightly higher general and administrative costs as well.

	Free Admission Scenario			Partially Charged Scenario		
General & Administrative	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
Total Costs	\$546,346	\$514,760	\$517,334	\$568,270	\$535,417	\$538,094

5.3.6 MARKETING

Marketing staff have been accounted for in the staffing plan. The focus here is on non-staff marketing costs, including advertising and promotion, the web and social media. A partially charged museum will require higher per visitor expenditures on marketing than if admission is free to all.

Data from the last comprehensive survey of the American Alliance of Museums (AAM) indicates marketing costs to be in the range of 4% of operating expenditures, but this has been declining with the greater influence of social media. That survey indicated the median marketing expenditure for history museums was only \$0.50 per visitor compared to \$1.29 per visitor for all museum types combined. The history museum figures are skewed lower by many very small community museums.

For the purposes of these projections we have estimated marketing expenditures at \$1.00 per visitor in each year of the free admission to all scenario and \$1.75 per visitor in the partially charged scenario. Grand opening celebrations will require higher expenditures in Year 1.

This leads to the following projections.

	Free Admission Scenario			Partially Charged Scenario		
Marketing	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
\$1.00/\$1.75 per visitor	\$125,000	\$110,000	\$105,000	\$148,750	\$131,250	\$122,500

5.3.7 RETAIL COST OF GOODS SOLD

The Museum of Utah is assumed to operate with a retail store offering 835 nsf of public space in both admission charge scenarios. It is common for cost of goods sold to be in the range of 50-55% of retail sales. For the purposes of the projections we have assumed 55% as the cost of goods sold in each scenario, leading to the following projections.

	Free Admission Scenario			Partially Charged Scenario		
Retail Cost of Goods Sold	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
Total Costs (@55%)	\$75,625	\$69,575	\$69,300	\$58,438	\$53,625	\$51,975

5.4 SUMMARY OF ATTENDANCE AND FINANCIAL PROJECTIONS

The following table summarizes our projections of attendance, operating revenue and expenses for the Museum of Utah for the opening three years of operation, with Year 3 representative of subsequent years.

On-site attendance levels are estimated to stabilize at 105,000 visitors in Year 3 in the free to all scenario and 70,000 visitors in the partially charged scenario. Year 1 figures are estimated to be about 20% higher in both scenarios.

Based on the analyses and assumptions in this report we project that the total operating budget for the Museum of Utah will be in the range of \$4.9 to \$5.1 million in the free scenario and somewhat higher at \$5.0 to \$5.2 million with partially charged admission. Earned income levels will be higher assuming partially charged admission, projected to be in the range of

\$500,000 to \$600,000 (10-12% of operating revenues) compared to about \$200,000 (4%) when admission is free to all.

The amount required from state and private sources is projected to be in the range of \$4.7 to \$4.9 million in the free scenario and \$4.4 to \$4.7 million if partially charged. The amount required largely from the state is thus lower by roughly \$175,000 to \$250,000 per year in the partially charged admission scenario. Higher staffing and other operating costs when admission is partially charged offsets some of the revenue gains.

Although free admission to all will help to widen access to adults and seniors it will also mean what could be seen as unfair competition for museums that do not have access to the operating funds available to a state history museum. Charged admission also helps with security. While the trend has been to more charged admission state history museums, there are still 18 of 48 that currently offer free admission to all visitors.

In considering these projections it must be emphasized that uncertainty regarding the duration and impact of the Covid-19 pandemic may require future changes to both the assumptions and projections in this report.

Museum of Utah	Free Admission Scenario			Partially Charged Scenario			Free Admission			Partially Charged		
Summary of Attendance, Operating Revenue and Expense Projections	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3	Year 1 %	Year 2 %	Year 3 %	Year 1 %	Year 2 %	Year 3 %
Annual Attendance	125,000	110,000	105,000	85,000	75,000	70,000						
Projected Operating Revenues												
Admissions	\$0	\$0	\$0	\$414,248	\$365,513	\$341,145	0.0%	0.0%	0.0%	8.3%	7.1%	6.6%
Retail Sales	\$137,500	\$126,500	\$126,000	\$106,250	\$97,500	\$94,500	2.8%	2.5%	2.5%	2.1%	1.9%	1.8%
Membership	\$41,500	\$42,445	\$45,200	\$59,000	\$57,810	\$59,400	0.9%	0.8%	0.9%	1.2%	1.1%	1.1%
Educational and Public Programs	\$15,000	\$18,000	\$20,000	\$12,000	\$14,000	\$15,000	0.3%	0.4%	0.4%	0.2%	0.3%	0.3%
Other Earned Income	\$8,000	\$9,000	\$10,000	\$6,000	\$7,000	\$8,000	0.2%	0.2%	0.2%	0.1%	0.1%	0.2%
Total Revenue Projected	\$202,000	\$195,945	\$201,200	\$597,498	\$541,823	\$518,045	4.1%	3.9%	4.0%	11.9%	10.5%	10.0%
Projected Operating Expenses												
Salaries, Wages, Benefits	\$3,414,663	\$3,431,736	\$3,448,895	\$3,551,688	\$3,569,446	\$3,587,294	70.1%	68.4%	68.1%	70.8%	69.1%	68.9%
Building Occupancy	\$484,969	\$562,564	\$581,963	\$465,570	\$543,165	\$562,564	9.9%	11.2%	11.5%	9.3%	10.5%	10.8%
Exhibitions	\$183,000	\$277,000	\$280,000	\$185,000	\$293,000	\$297,000	3.8%	5.5%	5.5%	3.7%	5.7%	5.7%
Public and Educational Programs	\$45,000	\$54,000	\$60,000	\$36,000	\$42,000	\$45,000	0.9%	1.1%	1.2%	0.7%	0.8%	0.9%
General & Administrative	\$546,346	\$514,760	\$517,334	\$568,270	\$535,417	\$538,094	11.2%	10.3%	10.2%	11.3%	10.4%	10.3%
Marketing	\$125,000	\$110,000	\$105,000	\$148,750	\$131,250	\$122,500	2.6%	2.2%	2.1%	3.0%	2.5%	2.4%
Retail Cost of Goods Sold	\$75,625	\$69,575	\$69,300	\$58,438	\$53,625	\$51,975	1.6%	1.4%	1.4%	1.2%	1.0%	1.0%
Total Expenses	\$4,874,603	\$5,019,636	\$5,062,492	\$5,013,716	\$5,167,903	\$5,204,426	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Amount Required to Break Even from State and Private Sources	(\$4,672,603)	(\$4,823,691)	(\$4,861,292)	(\$4,416,218)	(\$4,626,081)	(\$4,686,381)	-95.9%	-96.1%	-96.0%	-88.1%	-89.5%	-90.0%
Lower Amount for Partially Charged				\$256,385	\$197,610	\$174,910						

APPENDIX A: ACKNOWLEDGEMENTS

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- Steve Barth, Policy Advisor, MIB Partners
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- Tim Dinehart, Fiscal Analyst, Utah State Legislature
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- Miranda Jones, Financial Operations Specialist, Governor's Office of Management
- Karen Krieger, Museum Project Manager, Department of Cultural & Community Engagement
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- Kristin Mead, Business Process Analyst, Department of Cultural & Community Engagement
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External Interviews

- Robert Austin, Social Studies Curriculum Planner, Utah State Board of Education

- Wendy Rex Azlet, Utah History Day Coordinator, Utah State Board of Education
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